

GULF OIL CORPORATION
P. O. BOX 2167
Hobbs, New Mexico

November 19, 1962

Re: Mattern (NCT-A) Lease
Section 24-21S-36E,
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Dear Sir:

In a letter dated November 13, 1962, Gulf sought administrative approval from the Oil Conservation Commission to commingle the Drinkard, Blinebry and Paddock production from its recently completed Mattern (NCT-A) No. 3 with existing Penrose-Skelly production on the Mattern (NCT-A) Lease. For economic reasons, Gulf now prefers to continue producing its Penrose-Skelly production into a separate battery and to commingle only the Drinkard, Blinebry and Paddock production in a new battery on the lease.

Gulf hereby seeks administrative approval to commingle the Drinkard, Blinebry and Paddock oils on the Mattern (NCT-A) Lease. All three pays are expected to produce at top allowable rates and oils from the Drinkard and Paddock Pools will be metered prior to being commingled. The production from the Blinebry Oil pay will not be metered; however, its production will be measured by the subtraction method as set out in the "Manual for the Installation of Commingling Facilities". Attached is a revised schematic diagram of the proposed installation.

The following tabulation includes volumes, gravities and monetary values of the individual and commingled hydrocarbons. The Penrose-Skelly Pool has been deleted.

<u>Pool</u>	<u>B/D</u>	<u>Corr. Gvty</u>	<u>\$/Bbl.</u>	<u>B/D x \$/Bbl.</u>
Paddock	50	36.3	\$2.93	\$146.50
Blinebry	50	36.0	2.93	146.50
Drinkard	66	38.8	2.97	196.02
				<u>\$489.02</u>
Commingled	166	37.2	\$2.95	\$489.70

Commingling of the oils would thus increase the monetary value of the liquid hydrocarbons from these three pools by \$0.68 per day.

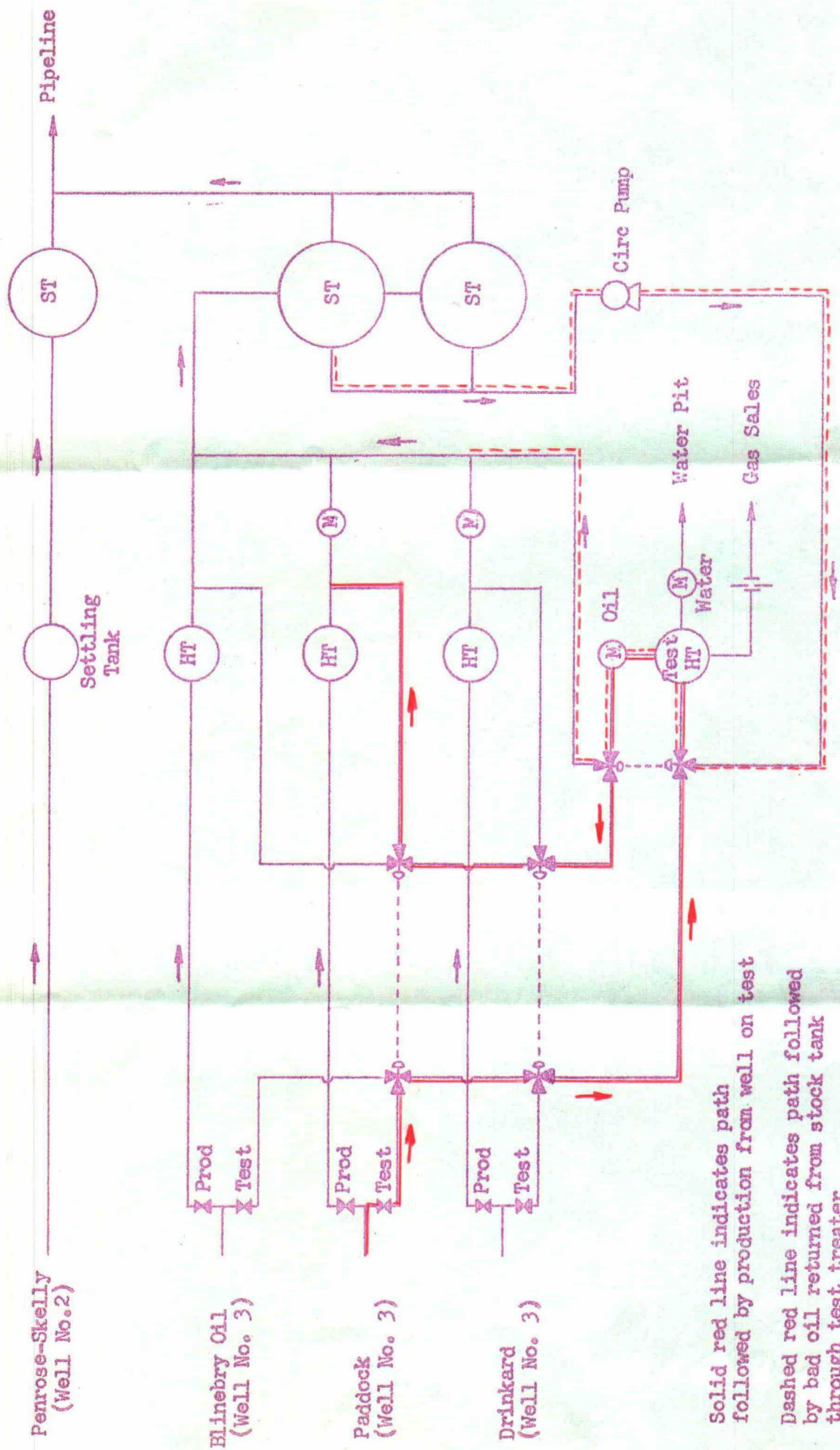
Gulf regrets having caused you any inconvenience in this matter.

Yours very truly,

C. D. BORLAND
C. D. BORLAND
Area Production Manager

DGB:ptg
cc: Oil Commission, Hobbs, N.M.

Crude Oil Supply, Box 2097, Denver, Colorado



REVISED SCHEMATIC DIAGRAM
PROPOSED COMMINGLING INSTALLATION
GULF'S MATTERN (NCT-A) LEASE

