

GULF OIL CORPORATION
P. O. BOX 670
Hobbs, New Mexico 88240

June 3, 1969

MAIN OFFICE 000

6 4M
JUN 8 18

Re: H. T. Mattern (NCT-A) Lease
Section 24-21S-37E, Lea
County, New Mexico

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2038
Santa Fe, New Mexico

Dear Sir:

Your administrative approval is requested to commingle the Penrose Skelly, Paddock and Drinkard oils on the subject lease. Your Administrative Order PC-110, dated December 3, 1962, approved commingling the Drinkard, Blinebry and Paddock pays and it was amended May 29, 1968 to discontinue metering after all wells had become marginal producers. The Blinebry zone has recently been shut in.

All wells proposed to be commingled are marginal, the lease ownership is common, and the proposed facilities are in accordance with existing rules and regulations. This is a fee lease and does not require the approval of the State Land Commissioner. There will be a negligible effect on lease income due to the commingling.

Attached you will find:

1. Lease Plat.
2. Schematic diagram of the facilities.
3. Letter from Shell Oil Company agreeing to purchase the commingled oil.
4. 60 day production record and an economic analysis of the proposed commingling.

Your early approval of this matter would be appreciated.

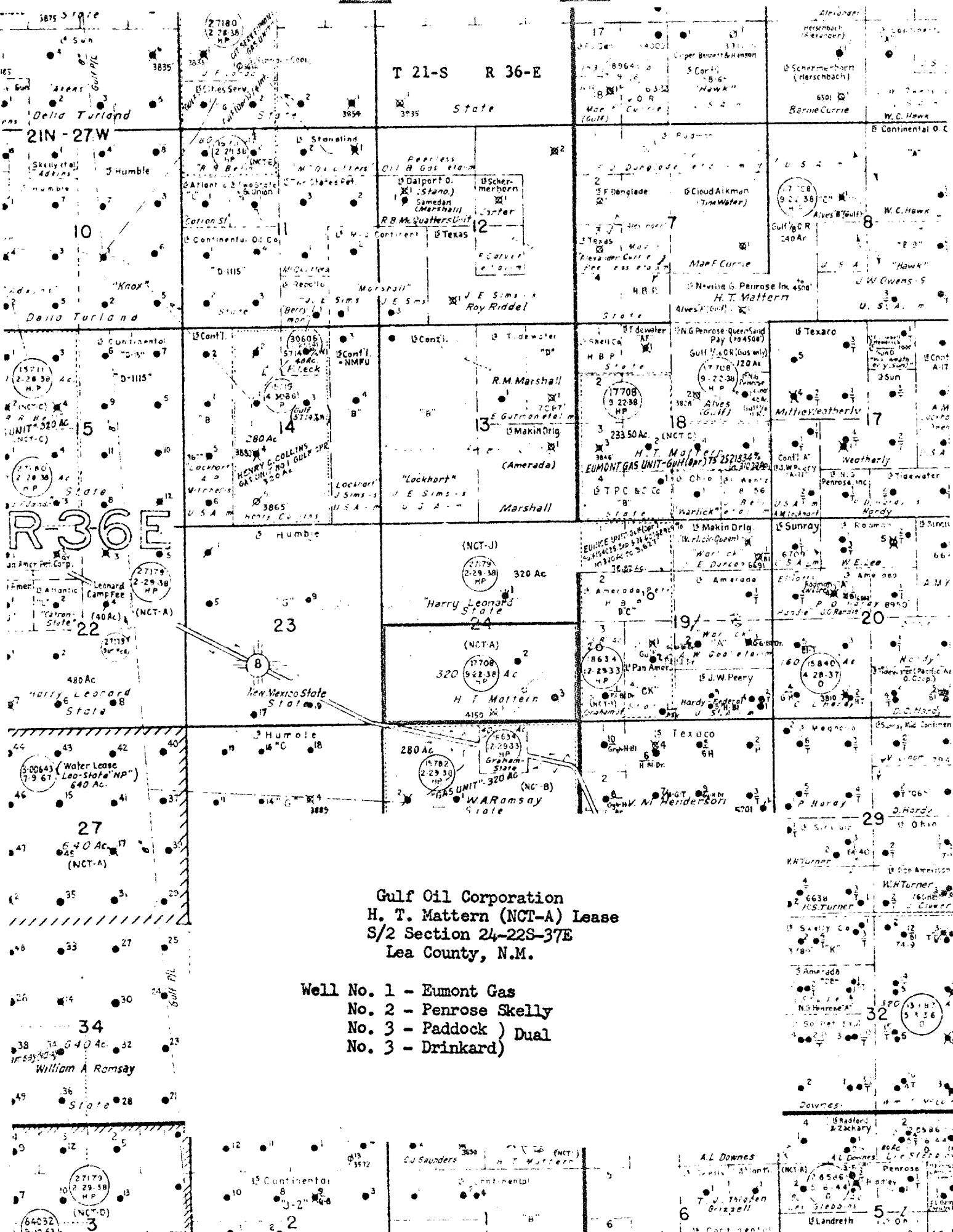
Yours very truly,



C. D. BORLAND
Area Production Manager

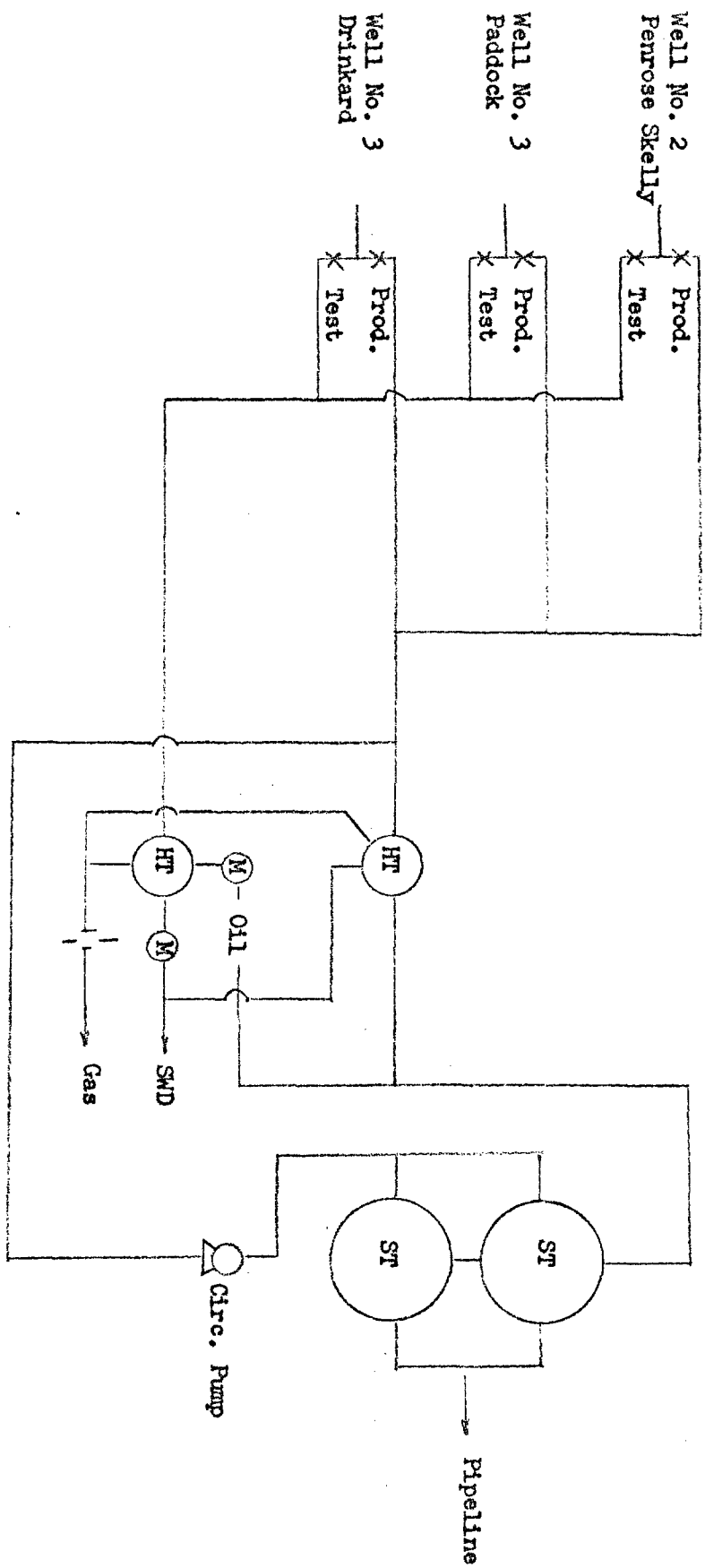
RCS:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
M. I. Taylor, Roswell, N.M.
D. L. Williams, Midland, Texas



Gulf Oil Corporation
H. T. Mattern (NCT-A) Lease
S/2 Section 24-22S-37E
Lea County, N.M.

- Well No. 1 - Eumont Gas
No. 2 - Penrose Skelly
No. 3 - Paddock) Dual
No. 3 - Drinkard)

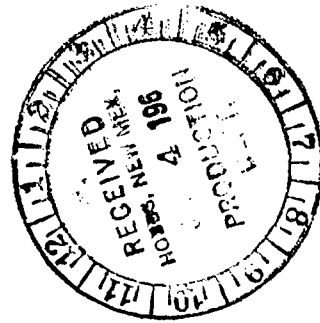


Schematic Diagram
 Combingling Installation
 Gulf Oil Corporation
 H. T. Matern (NCT-A) Lease



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701



June 3, 1969

Subject: Gulf Oil Corporation
H. T. Mattern NCT-A
S/2 Section 24, T-21-S, R-36-E
Drinkard, Paddock & Penrose Skelly
Lea County, New Mexico

Gulf Oil Corporation
Box 670
Hobbs, New Mexico 88240

Attention Mr. C. D. Borland

Gentlemen:

Confirming our conversation with Mr. D. L. Williams, Shell, as purchaser of the above production, has no objection to your commingling this crude into common storage.

Yours very truly,

Tom Miller

For: J. C. Hart
Raw Materials Supply
Midland Division Services

TEM:ERL

cc - Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701
Attention Mr. D. L. Williams

GULF OIL CORPORATION
H. T. MATTERN (NCT-A) LEASE
Section 24-21S-37E, Lea County, N.M.

60 DAY PRODUCTION RECORD

<u>Well No.</u>	<u>Pay</u>	<u>March, 1969</u>	<u>April, 1969</u>	<u>Total</u>	<u>Avg. BPD</u>
3	Drinkard	60	60	120	2
3	Paddock	82	97	179	3
2	Penrose Skelly	160	199	359	6

ECONOMIC ANALYSIS

<u>Pay</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Bbl.</u>	<u>\$/Day</u>
Drinkard	2	37.9	\$3.07	\$6.14
Paddock	3	37.3	\$3.07	\$9.21
Penrose Skelly	<u>6</u>	32.7	\$2.97	<u>\$17.82</u>
Total	11			\$33.17
Commingled	11	34.8	\$3.01	\$33.11
Difference				-\$ 0.06

RCS:ptg
Hobbs, N.M.
6-3-69