

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

July 6, 1982

P. O. Box 670
Hobbs, NM 88240

Re: Nancy Stephens Tank Battery
Section 24-T21S-R37E
Proposed Surface Commingling
of Production from the Blinebry
& Drinkard Pools with the Wantz
Abo Pool.

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject lease, Gulf hereby seeks an Amendment to Administrative Order PC-138. This will allow Gulf to commingle production from the Blinebry, Drinkard and Wantz Abo Pools. All wells will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production. The tabulation also shows total average daily production for a 2 month period and the results of recent production tests for the new completion. The calculated revenue from the commingled production is approximately \$.06 per day more than the total revenue from the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Texaco has agreed to purchase the commingled production as proposed herein.

The commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Yours very truly,

R. C. Anderson
R. C. Anderson

MWC/mcs

cc: Oil Conservation Division - Hobbs
C. F. Kalteyer - Midland

*Amend PC-138, as amended.
to include units for
It will now authorize
commingling of Blinebry
Drinkard & Wantz Abo
based on well tests*



Nancy Stephens Tank Battery
Section 24-T21S-R37E
Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>April 1982</u>	<u>May, 1982</u>		
Nancy Stephens #3 Wantz Abo Pool	-	-	-	135
Nancy Stephens #2, 3 Blinebry Pool	113	82	195	3.2
Nancy Stephens #1, 2, 3 Drinkard Pool	227	175	402	6.6

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Wantz Abo	135.0	43.0	\$32.00	\$4320.00
Blinebry	3.2	39.7	31.98	102.34
Drinkard	<u>6.6</u>	<u>40.7</u>	<u>32.00</u>	<u>211.20</u>
Total	144.8			\$4633.54
Commingled	144.8	41.1	\$32.00	\$4633.60
		Difference		(+.06)



PETROLEUM PRODUCTS

J. C. LEE
MANAGER
CRUDE OIL TRADING

TEXACO
U.S.A.

A DIVISION OF TEXACO INC.
P. O. BOX 52332
HOUSTON, TEXAS 77052
(713) 650-5176

June 22, 1982

GULF OIL CORP. - OPERATOR
NANCY STEPHENS LEASE
LEA COUNTY, NEW MEXICO
0055-0987-0001

Gulf Exploration &
Production Company
P. O. Box 670
Hobbs, NM 88240

Attention: Mr. R. C. Anderson

Gentlemen:

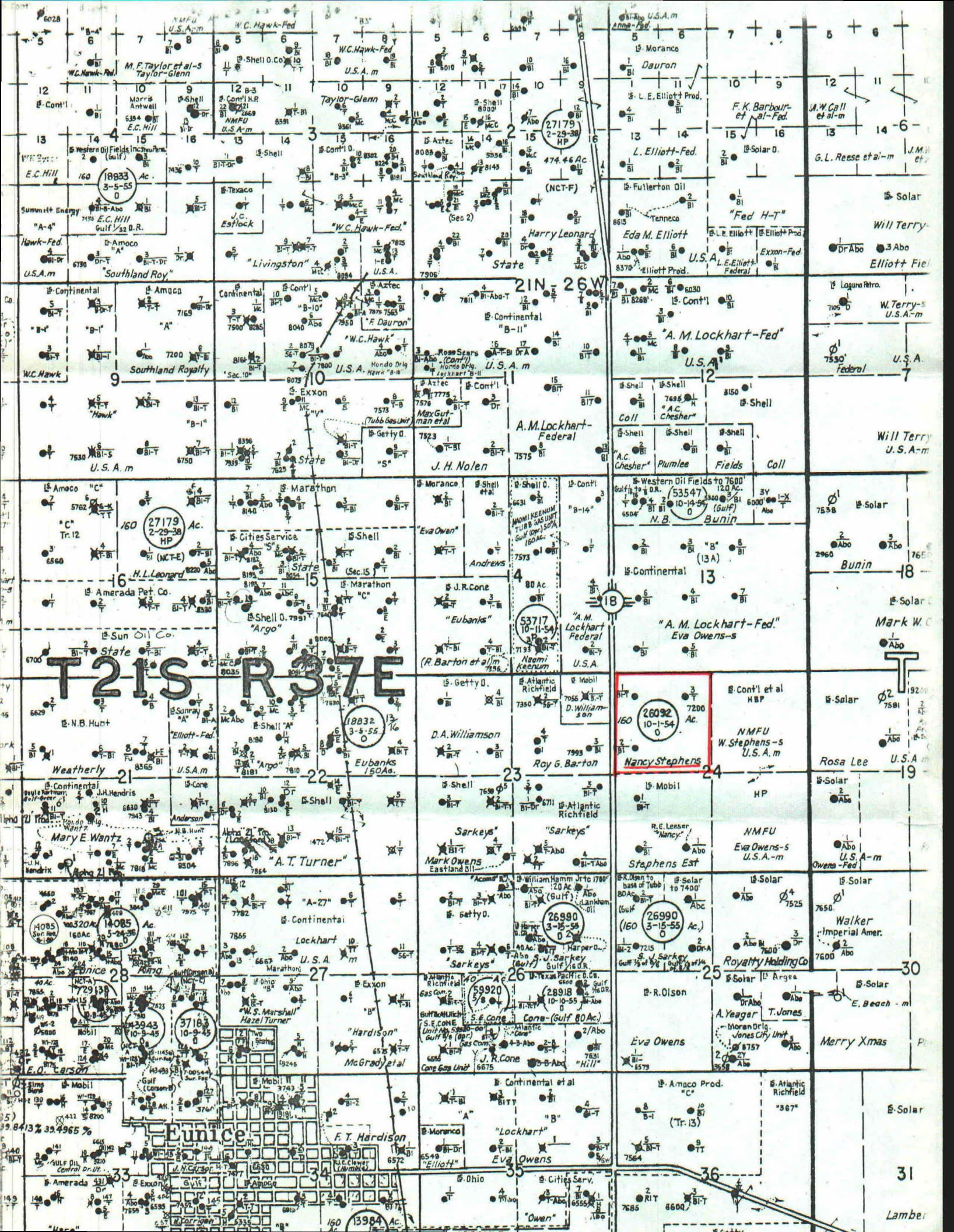
Reference is made to previous arrangements which provided for your sale of the above subject lease production from commingled storage to Texaco Inc. with connection by Texas-New Mexico Pipe Line Company into their Intermediate Sweet System.

You have requested permission to commingle the Wantz/ABO/ (103 BPD of 43° gravity) with the commingled Blinebry and Drinkard production under Permit No. PC-138.

Texaco is agreeable to purchasing this commingled production.

Very truly yours,

PMA
lct:a



Nancy Stephens Tank Battery
 Section 24-T21S-R37E

