

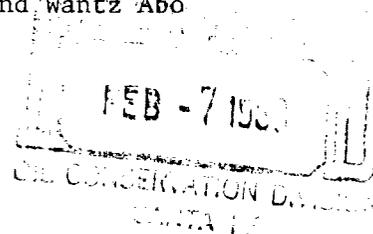
Gulf Oil Exploration and Production Company

R. C. Anderson
OPERATIONS MANAGER
HOBBS, NEW MEXICO

January 31, 1983

P. O. Box 670
Hobbs, NM 88240

Re: Nancy Stephens Tank Battery #1
Section 24-T21S-R37E
Surface Commingling of Tubb with
Blinebry, Drinkard, and Wantz Abo



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 exception to Administrative Rule No. 303. This will allow Gulf to commingle production from the Tubb Pool with 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 \$0.33 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, Inc. 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

CNB/skc

cc: OCD-Hobbs
J. R. Frank-Midland



NANCY STEPHENS TANK BATTERY #1
Section 24-T21S-R37E
Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Nov. 82</u>	<u>Dec. 82</u>		
Nancy Stephens #4 Tubb				45
Nancy Stephens #1 (Blinebry Oil) #2 (Blinebry, Drinkard Oil) #3 (Wantz Abo)	1876	1087	2963	49

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Tubb	45	36.8	\$30.44	\$1369.80
Blinebry Oil, Drinkard Oil, Wantz Abo	49	40.7	30.51	1494.99
Total				\$2864.79
Commingled	94	38.8	30.48	\$2865.12
			Difference	+0.33

Nancy Stephens Tank Battery #1
Section 24-T21S-R37E

