

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

February 17, 1975

P. O. Box 670
Hobbs, New Mexico 88240

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 88240

*Amendment to
PC 139*

Dear Sir:

Oil Conservation Commission Administrative Order No. ~~PC-391~~ ^{PC 139} dated May 10, 1963 authorized surface commingling of the Blinebry and Paddock Oil production on our Mark Owen Lease, comprising the SE/4 of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico. Amended Administrative Order No. ~~PC-391~~ ^{PC-139} dated September 13, 1966 authorized surface commingling of the Drinkard, Penrose Skelly and Paddock Oil production on this lease.

The only Paddock Pool oil well on this lease has recently been abandoned. A recent attempt to recomplate Well No. 4 in the Tubb Gas Pool resulted in a Tubb Oil well. We presently have one Drinkard well producing, one Drinkard well completed and about ready to go on production, and one more Drinkard well in the process of completion. We also have one Penrose Skelly well and one Blinebry Gas well producing on this lease.

Gulf Oil Corporation requests your administrative approval to amend the Amended Administrative Order No. ~~PC-391~~ ¹³⁹ to permit commingling of the Drinkard, Penrose Skelly, Blinebry Gas Condensate and Tubb Oil production on this lease. All wells are marginal. Production will be allocated on the basis of periodic well tests.

This is fee land and approval from the State Land Commissioner is not required.

The attached tabulations show the average daily production for the 62-day period for December, 1974 and January, 1975. You will notice from the tabulations that the actual commercial value of the oil will not change if all of the production is commingled as proposed.

Attached is a plat of the lease as well as a schematic diagram of the proposed commingled tank battery.

Your early reply to this application will be appreciated.

*Mark Owen Lease
SE/4 Sec 34 Twp 21S Rgc 37E Lea*

Yours very truly,

C. D. Borland
C. D. BORLAND

*Penrose Skelly & Drinkard
oil and Blinebry & Tubb
Condensate (periodic
well tests)*

CRK:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
J. L. Pike, Midland
C. W. Briggs, Midland



Remarks:
A DIVISION OF GULF OIL CORPORATION

commingling of Drinkard, Penrose

GULF OIL CORPORATION

MARK OWEN LEASE

Production Data

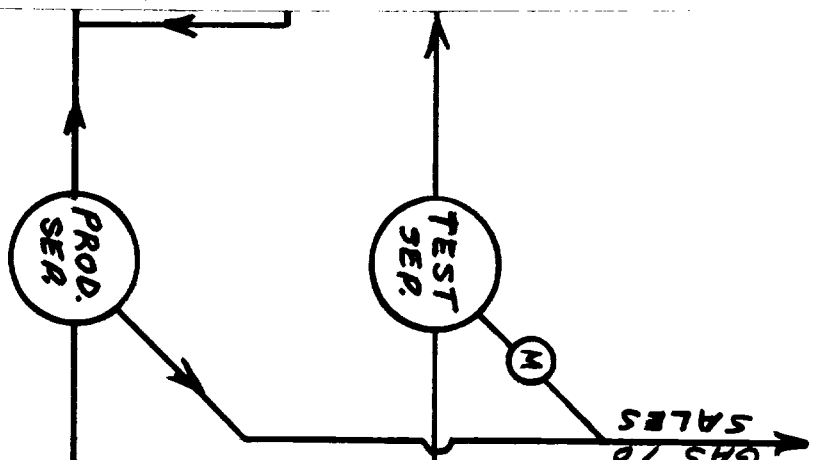
Value of Oil Based on Existing Storage Facilities:

<u>Pool</u>	<u>Bbls/Day</u>	<u>Corr. Gvty</u>	<u>\$/Bbl.</u>	<u>Bbls/Day x \$/bbl.</u>
Drinkard & Penrose) Skelly Commingled)	9.1	46.2	\$11.05	\$100.55
Blinebry Gas Condensate) & Tubb Oil Commingled)	<u>4.7</u>	<u>42.5</u>	<u>\$11.05</u>	<u>\$ 51.94</u>
Total	13.8			\$152.49

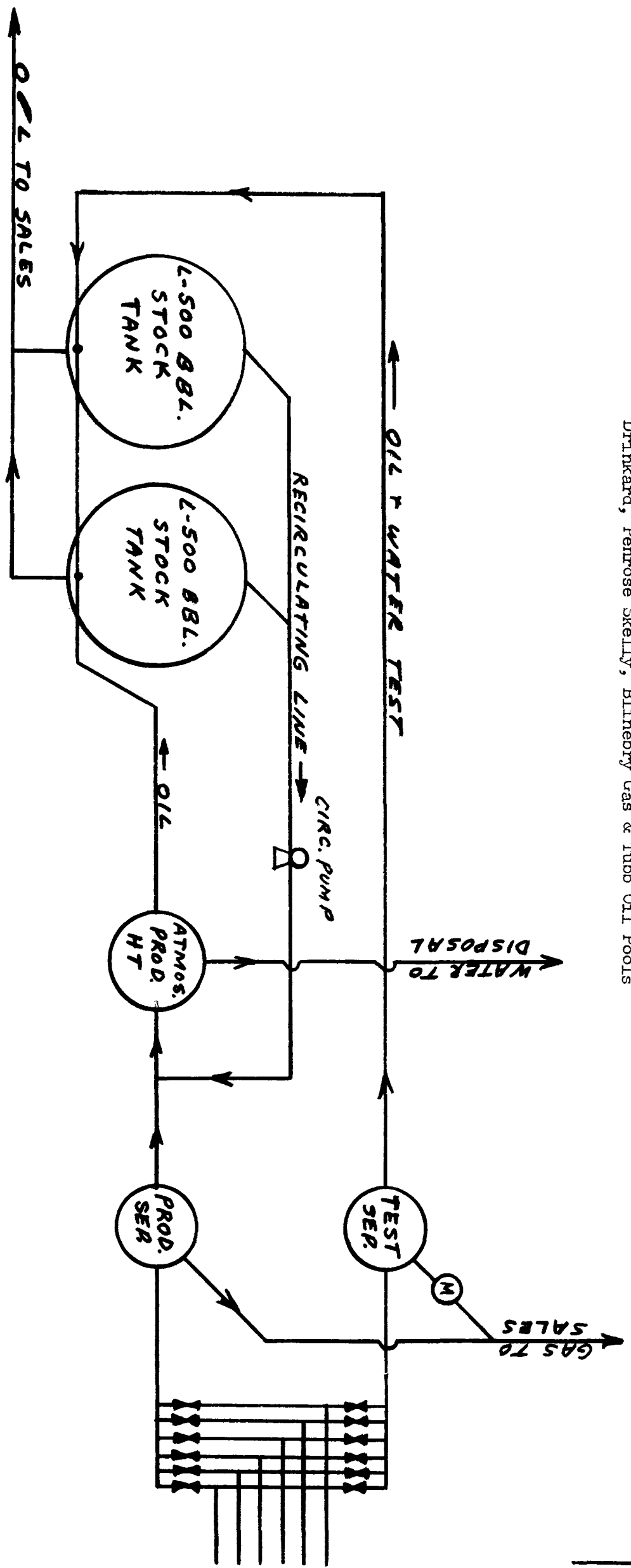
Value of Oil Based on Commingling All Production:

Drinkard, Penrose Skelly,) Blinebry Gas Condensate) & Tubb Oil Commingled)	<u>13.8</u>	44.9	\$11.05	<u>\$152.49</u>
Total	13.8			\$152.49

Therefore, we do not anticipate any change in oil revenue by commingling all oil production from this lease.



Gulf Oil Corporation
 Proposed Commingled Tank Battery - Mark Owen Lease
 Drinkard, Penrose Skelly, Blinberry Gas & Tubb Oil Pools



Flow Lines
 Blinberry Gas & Tubb Oil