

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

May 3, 1963

PC-147

re: G. C. Matthews Lease
Section 6-20S-37E,
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:

Subject lease produces crude oil from the Monument, Monument Hlinebry and the Monument Paddock Oil Pools. The production from the Monument Oil Pool is from two marginal wells which produce a total of 29 bopd. The wooden stock tanks serving this pool are leaking badly and Gulf would like to commingle the Monument and Monument Hlinebry crude oils to eliminate the need for replacing these tanks.

Gulf hereby seeks administrative approval from the Oil Conservation Commission to commingle the Monument and Monument Hlinebry crude oil production on the G. C. Matthews Lease. Attached is a schematic diagram of the proposed installation along with a plat of the G. C. Matthews Lease. Gulf proposes to measure the Monument production prior to commingling the oils downstream of the treating system. The Monument Hlinebry production will be determined by the subtraction method in accordance with the "Manual for the Installation and Operation of Commingling Facilities".

The following tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from the individual pools as well as the commingled production:

<u>Pool</u>	<u>Bbls/Day</u>	<u>Grvty.</u>	<u>\$/Bbl.</u>	<u>Bbl/Day x \$/Bbl.</u>
Monument Oil	29	31.2	\$2.83	\$ 82.07
Monument Hlinebry Oil	<u>144</u>	<u>32.4</u>	<u>\$2.99</u>	<u>\$ 430.56</u>
				\$ 512.63
Commingled	173	32.1	\$2.97	\$ 513.81

The actual commercial value of the commingled production will be slightly higher than the sum of the values of the production from the individual pools.

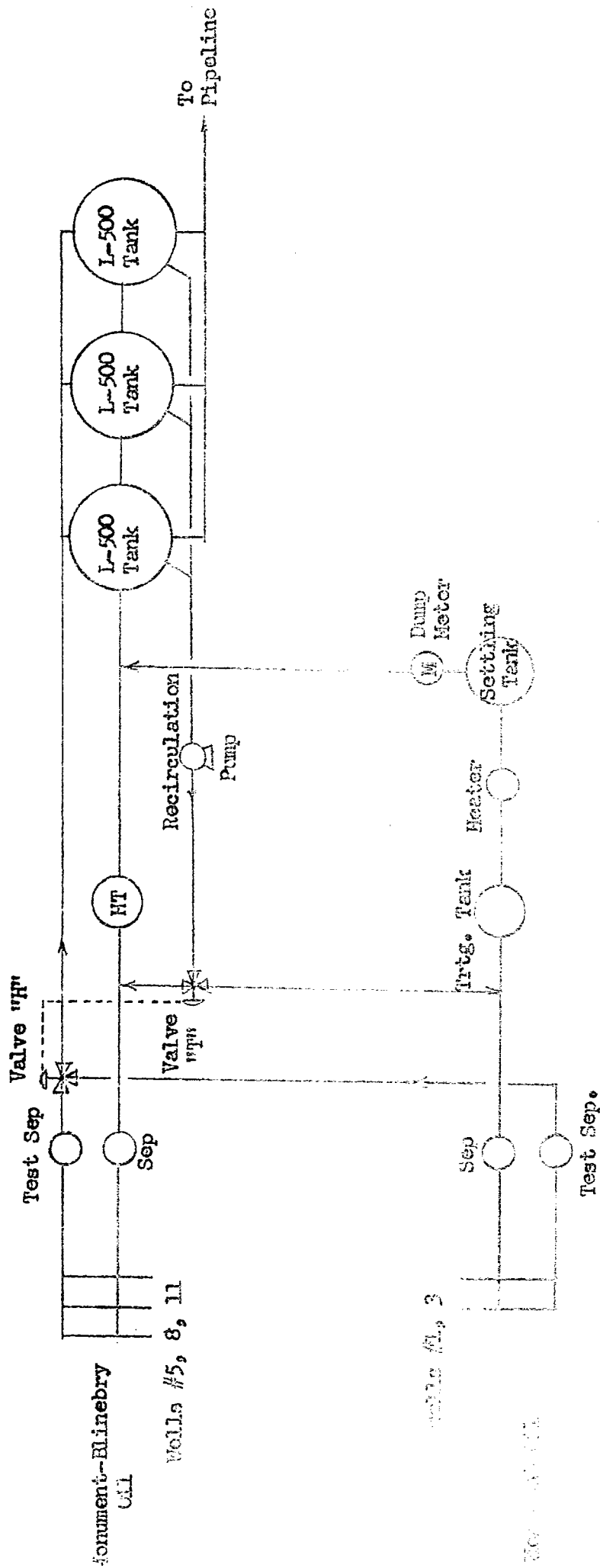
This commingling proposal is in the interest of conservation in that it prevents unnecessary waste.

Yours very truly,


C. D. BORLAND
Area Production Manager

LCS:ptg

cc: D. L. Williams
Oil Conservation Commission, Hobbs



SCHEMATIC DIAGRAM
 PROPOSED COMMINGLING - G. C. MATTHEWS LEASE
 MONUMENT OIL & MONUMENT BLINERY OIL

