

Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland
Area Production Manager

March 29, 1972

P. O. Box 670
Hobbs, New Mexico 88240

RECEIVED
MAR 31 1972
CONSERVATION COMMISSION

Re: G. C. Matthews Lease
Section 6-20S-37E
Lea County, New Mexico

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

In order to avoid considerable expense in repairing and maintaining the above mentioned tank battery, Gulf hereby seeks an amendment to Administrative Order PC-142 to allow Gulf to commingle Monument Paddock oil with the commingled Monument and Monument Blinbry production, as authorized by the above mentioned order. The wells producing from all pools are marginal and 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 60 day period.

The calculated revenue from the commingled production will be slightly less (41¢/day) than the total revenue from the individual pools.

Attached is a schematic diagram of the proposed installation along with a lease plat. Also attached is a letter of approval from Shell Oil Corporation.

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

Yours very truly,



C. D. BORLAND
Area Production Manager

RDW:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
H. E. Braunig, Jr.
C. W. Briggs



Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box 670
Hobbs, New Mexico 88240

G. C. MATTHEWS LEASE
Section 6-20S-37E
Lea County, New Mexico

<u>Wells and Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average bopd</u>
	<u>Jan. 1972</u>	<u>Feb. 1972</u>		
Nos. 7,9,10,11 Monument Paddock	1,463	1,255	2,718	45.3
Nos. 1,4,5,11, 12 Monument & Monument Bl.*	751	652	1,403	<u>23.4</u>
				68.7

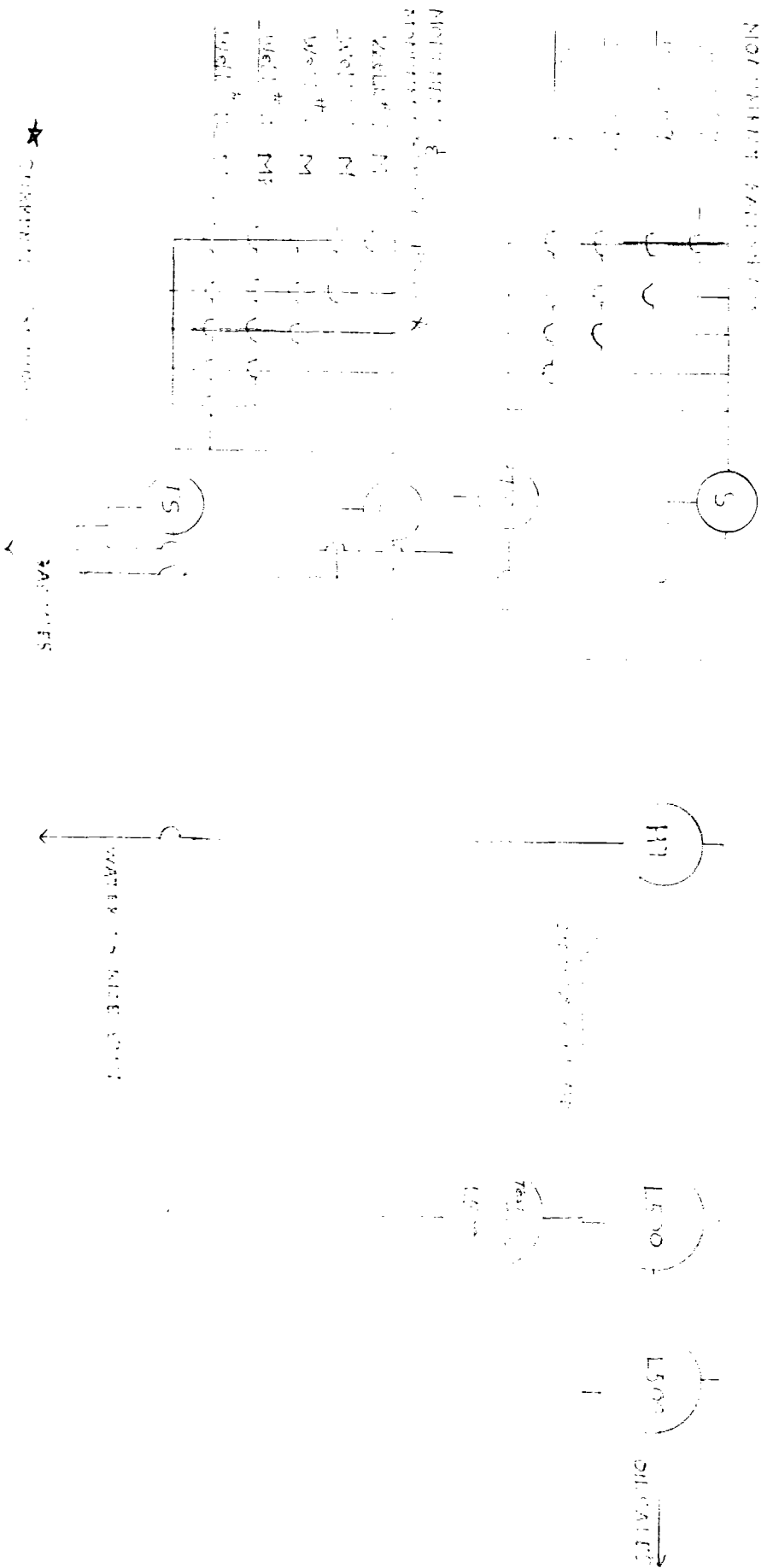
*Currently commingled

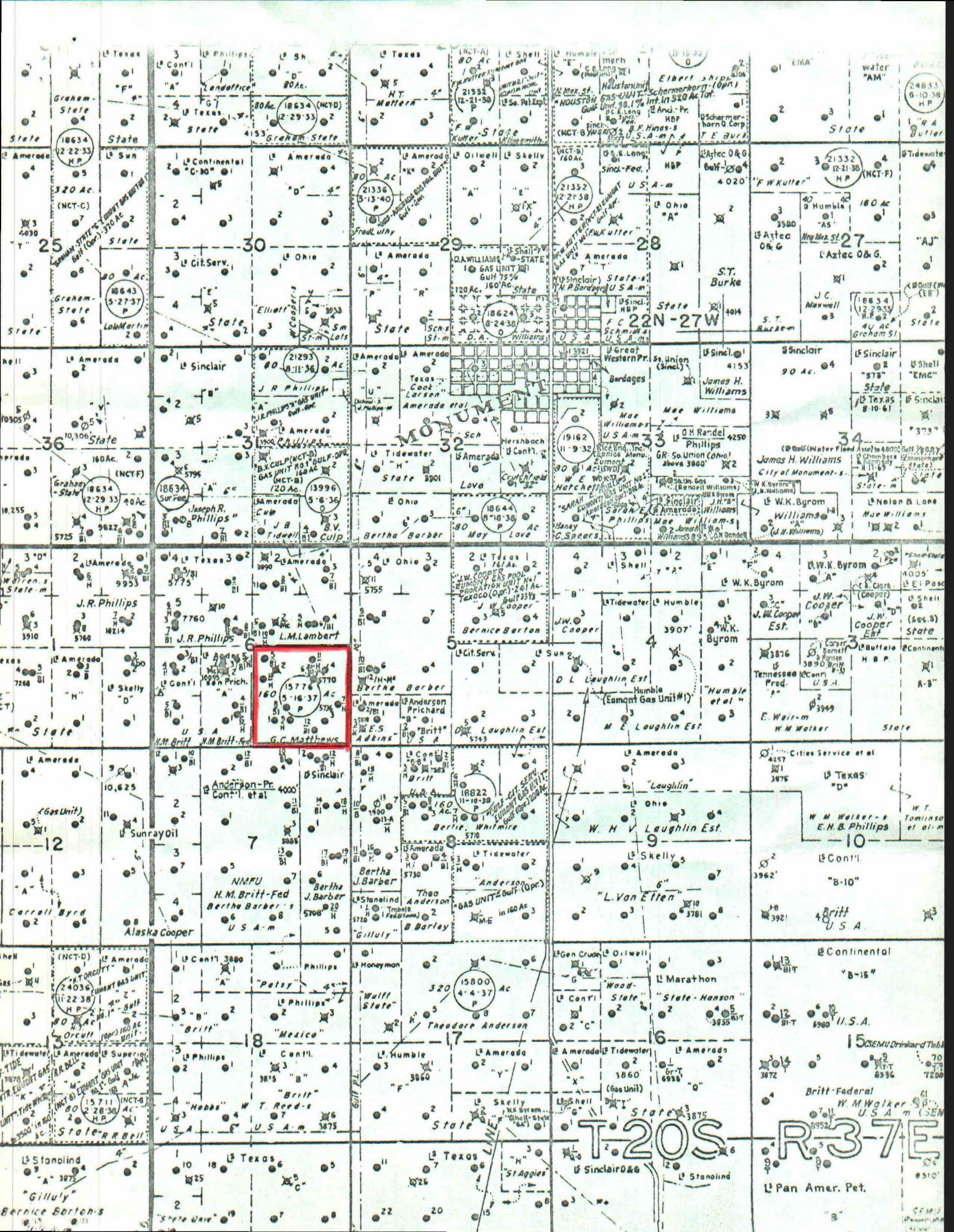
<u>Pool</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Bbl.</u>	<u>\$/Day</u>
Monument Paddock	45.3	37.4°	\$3.50	\$158.55
Monument & Monument Bl.	<u>23.4</u>	38.1°	\$3.52	<u>\$ 82.37</u>
Total	68.7			\$240.92
Commingled	68.7	37.6°	\$3.50	<u>\$240.45</u>
		Difference		(\$ - .47)

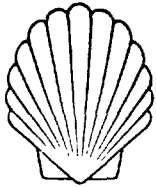
RDW:ptg
Hobbs, N.M.
3-23-72



G. C. MATTHEWS TANK BATTERY



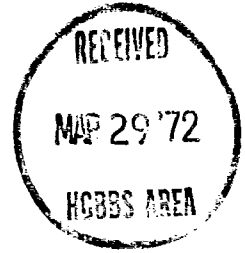




SHELL OIL COMPANY

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

March 27, 1972



Subject: Gulf Oil Corporation
G.C. Matthews Lease
Lea County, New Mexico

Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701

Attention Mr. C.W. Briggs

Gentlemen:

This is to confirm our conversation wherein you stated that one of the tank batteries have become unusable and that you desire to commingle the Monument Paddock production with Eunice Monument and Monument Blinebry production.

We are agreeable to purchasing all of the crude commingled production and would appreciate if you would advise us when the actual commingling takes place so we may notify our pipeline carrier to run the commingled production for our account.

Yours very truly,

Original Signed By
J. C. HART

J.C. Hart
Raw Materials Supply
Field Operations-Midland

jch

cc - Gulf Oil Corporation
Post Office Box 670
Hobbs, New Mexico 88240
Attention Mr. C.D. Borland