

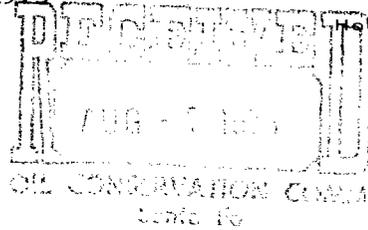
Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

August 6, 1973

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box 670
Hobbs, New Mexico 88240



Mr. A. L. Porter
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Your administrative approval is requested to amend Administrative Order PC-277 to permit the commingling of Penrose Skelly and Tubb oil production on our W. T. McComack lease, comprising the E/2 of section 32, 21-S, 37-E, Lea County, New Mexico. PC-277 authorized commingling the Blinebry and Penrose Skelly oil zones.

The Blinebry oil zone has been abandoned on this lease and well No. 17 has been completed in the Tubb oil. This well is now producing approximately 30 BOPD with a corrected gravity of 38.7°. The Penrose Skelly production on this lease has declined to approximately 2 BOPD, which will result in a negligible effect to the lease income due to commingling these zones.

Attached is a letter from Shell Oil Company agreeing to purchase the commingled production.

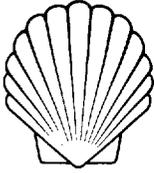
Your early consideration will be appreciated.

Yours truly,

C. D. BORLAND

lwd:





SHELL OIL COMPANY

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

August 1, 1973

Subject: Gulf Oil Corporation
W. T. McCormack Lease
Penrose Skelly and Tubb Oil Pools
Lea County, New Mexico

Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701

Attention Mr. C. W. Briggs

Gentlemen:

We are presently purchasing the Penrose Skelly and Tubb Oil production from the captioned lease from separate tankage.

We understand it is your desire to commingle this oil. We are agreeable to purchasing the commingled oil and would appreciate your advising us when the actual commingling takes place so we may notify our pipeline carrier.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'JCH' followed by a stylized surname.

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

JCH:ERL