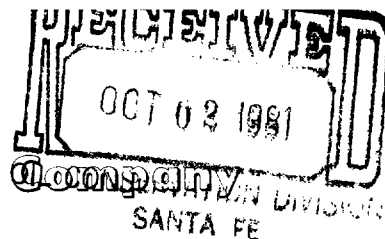


Gulf Oil Exploration and Production Company



R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

September 29, 1981

P. O. Box 670
Hobbs, NM 88240

Re: W. T. McComack Lease
Tank Battery, Sec 32-T21S-R37E
Lea County, New Mexico Proposed
Surface Commingling of Production
from the Blinebry, Penrose Skelly,
and Tubb Pools

Mr. Joe D. Ramey
Energy & 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 amendment to Administrative Order PC-277. This amendment will allow Gulf to commingle the Blinebry Gas, Penrose Skelly, and the Tubb Gas production on the W. T. McComack Lease. 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. The calculated revenue from the commingled production is equivalent to 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. Shell Pipeline Corporation 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

MWC/skj

cc: Oil Conservation Commission-Hobbs
C. F. Kalteyer-Midland



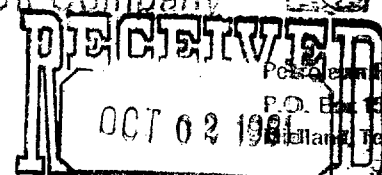
WT McComack Lease, Tank Battery
Section 32-T21S-R37E
Lea County, New Mexico

<u>Wells and Pool</u>	<u>June 1981</u>	<u>July 1981</u>	<u>Total</u>	<u>Average BOPD</u>
McComack #9 Blinebry Gas	30	31	61	1
McComack #1, 2, 3, 4, 6, & 8 Penrose Skelly	310	344	654	10.7
McComack #17 Tubb Gas	-	-	-	-

	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Blinebry Gas	1	34.1	\$34.68	\$ 34.68
Tubb Gas	-	-	-	-
Penrose Skelly	10.7	34.1	34.68	371.07
Total	11.7			\$405.75
Commingled	11.7	34.1	34.68	\$405.75
			Difference	(0)

Mike Casey

Shell Oil Company



Petroleum Building

P.O. Box 1309

Midland, Texas 79702

OIL CONSERVATION DIVISION

SANTA FE

SEP 23 '81

Sept 22
RAT
Lea
September 22, 1981

Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240

Gentlemen:

GULF OIL CORPORATION
W. T. McCOMACK LSE.
BLINEBRY GAS-BLINEBRY OIL-TUBB GAS-PENROSE SKELLY
LEA COUNTY, NEW MEXICO
SHELL I.D. #X83642C00

This is to confirm the phone conversation between your Mr. Jim Baker and the undersigned concerning the subject lease.

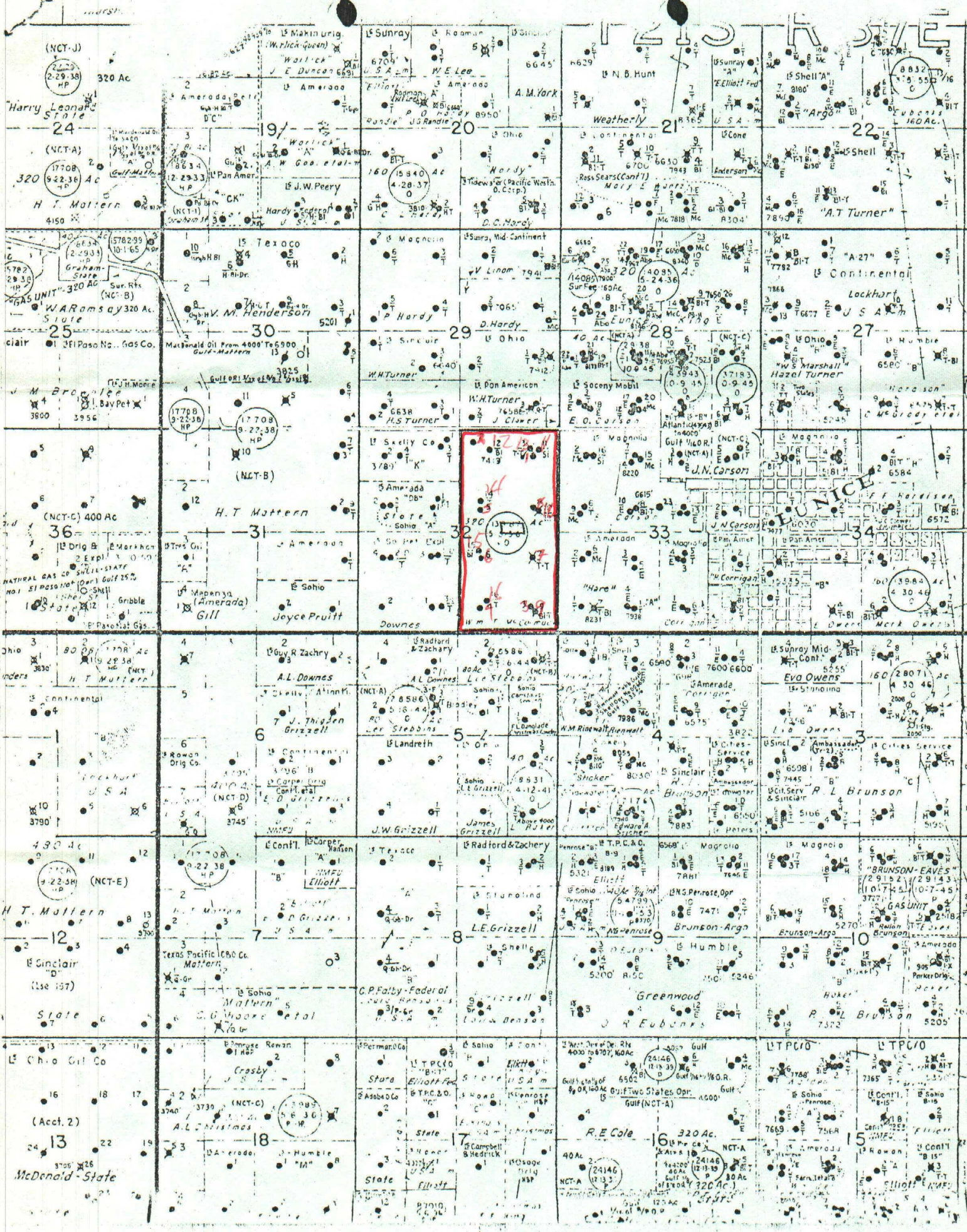
As discussed, we will continue to purchase the commingled production from the Blinebry Gas, Blinebry Oil, Tubb Gas & Penrose Skelly formations.

Yours very truly,

R. R. Minus, Jr.
Crude Oil Representative
Midland Office

RRM:ec

cc: Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79701
Crude Oil Department



GULF OIL CORPORATION
SCHEMATIC TANK BATTERY DIAGRAM
W. T. McCormack

ILLEGIBLE

