

Gulf Energy and Minerals Company - U.S.

PRODUCTION DEPARTMENT

HOBBS AREA

August 31, 1976

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box 670
Hobbs, New Mexico 88240

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Administrative Order PC-287 authorized surface commingling of the Paddock and Penrose Skelly production on our J. N. Carson (NCT-A) lease, comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4, Section 33, 21-S, 37-E, Lea County. Your permission is hereby requested to amend PC-287 to permit commingling of the Tubb and Blinebry condensate production with the Paddock and Penrose Skelly.

At this time there is one well on this lease producing from the Penrose Skelly, four wells producing from the Paddock, two wells producing from the Blinebry Oil & Gas pool and one Tubb gas well. All wells are marginal. Production would be allocated based on periodic well tests.

The following tabulations shows the average daily production of each pool for June and July, 1976, gravities and monetary values of the liquid hydrocarbons from each zone as well as the commingled production.

Pool	Bbl/day	Gravity	\$/bbl	Bbl/day X \$/bbl
Penrose Skelly	5	35.5	\$8.95	\$ 44.75
Paddock	72	35.5	\$8.95	\$644.40
Blinebry Oil & Gas	4.5	37.6	\$9.00	\$ 40.50
Tubb Gas	6.5	37.6	\$9.00	\$ 58.50
			Total	\$788.15
Commingled	88	35.5	\$8.95	\$787.60

You will notice from the tabulations that the actual commercial value of the commingled production will be slightly lower (\$0.55/day).

Attached is a plat of the lease and also a schematic diagram of the proposed installation.

Your early consideration will be appreciated.

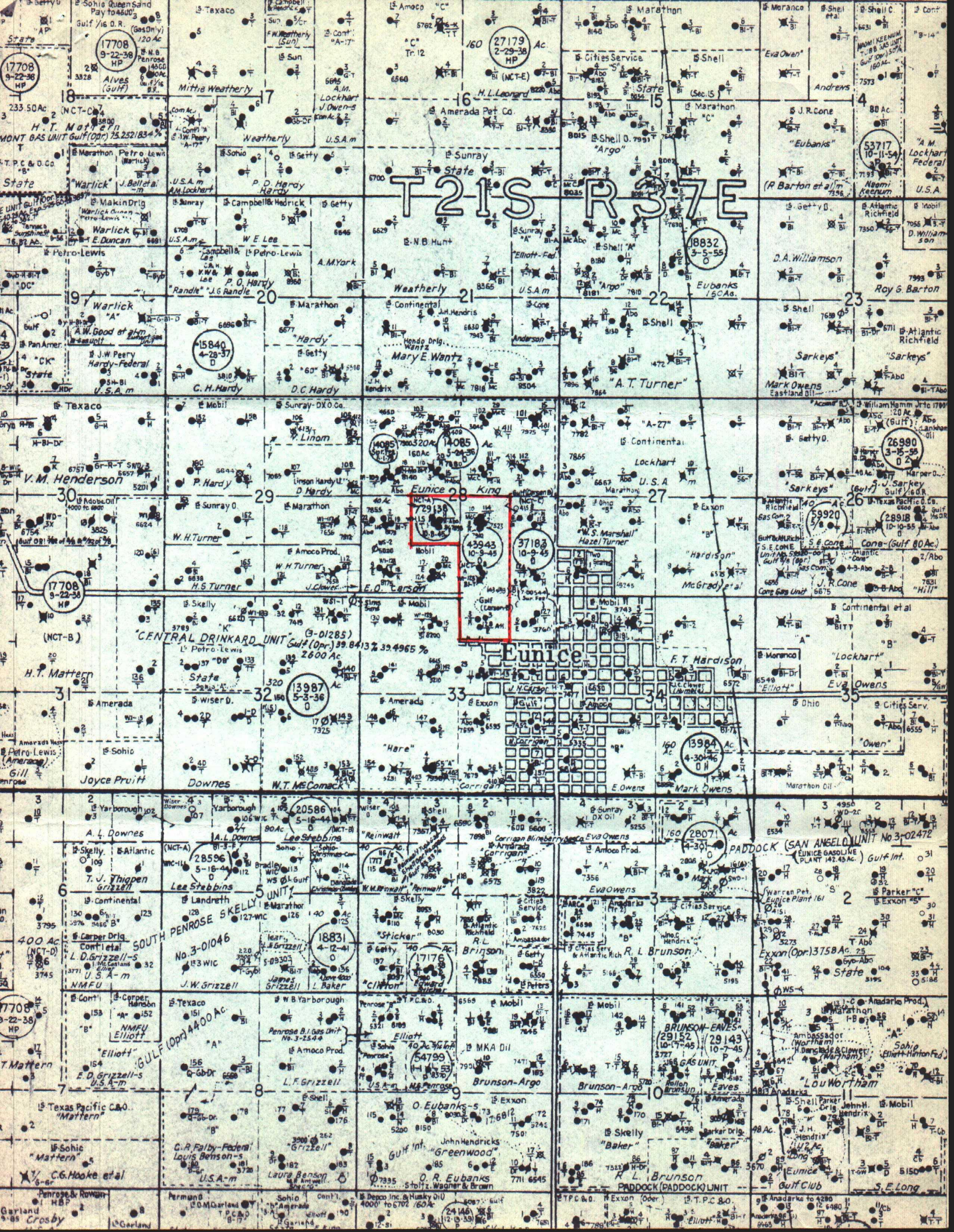
Yours truly,


C. D. BORLAND

lwd:
Att'd

cc: NMOCC, Hobbs
CFK & EEC





GULF OIL CORPORATION
 PROPOSED COMINGLED TANK BATTERY - J. N. CARSON (NCT-A) LEASE
 Penrose Skelly, Paddock, Tubb Gas and Blinberry Oil and Gas Pools

