

Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland
AREA PRODUCTION MANAGER

February 9, 1972

P. O. Box 670
Hobbs, New Mexico 88240

Re: R. E. Cole (NCT-A) Lease
Section 16-22S-37E
Lea County, New Mexico

RECEIVED

Oil Conservation Commission

*file
PC-303*

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

Dear Sir:

Gulf recently performed work on its R. E. Cole (NCT-A) Well No. 11 which resulted in plugging and abandoning the Cary Montoya oil and recompleting in the Blinebry Oil. In order to avoid a considerable expense for one well, Gulf hereby seeks an amendment to Administrative Order PC-303 to allow Gulf to commingle Blinebry Oil with the commingled Penrose Skelly and Drinkard 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 as directed by the commingling order.

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

The calculated revenue from the commingled production will be slightly less (22¢/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 Pipeline Corporation and a tabulation of the total average daily production for a 60-day period.

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

Yours very truly,



C. D. BORLAND
Area Production Manager

GS: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

R. E. COLE (NCT-A) LEASE

Section 16-22S-37E, Lea County, New Mexico

<u>Wells & Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Dec. 1971</u>	<u>Jan. 1972</u>		
Nos. 1 & 3, Penrose Skelly	344	315	659	10.6
No. 4, Drinkard	66	39	105	1.7
No. 11, Blinebry*				<u>45.0</u>
				57.3
*Test Production				

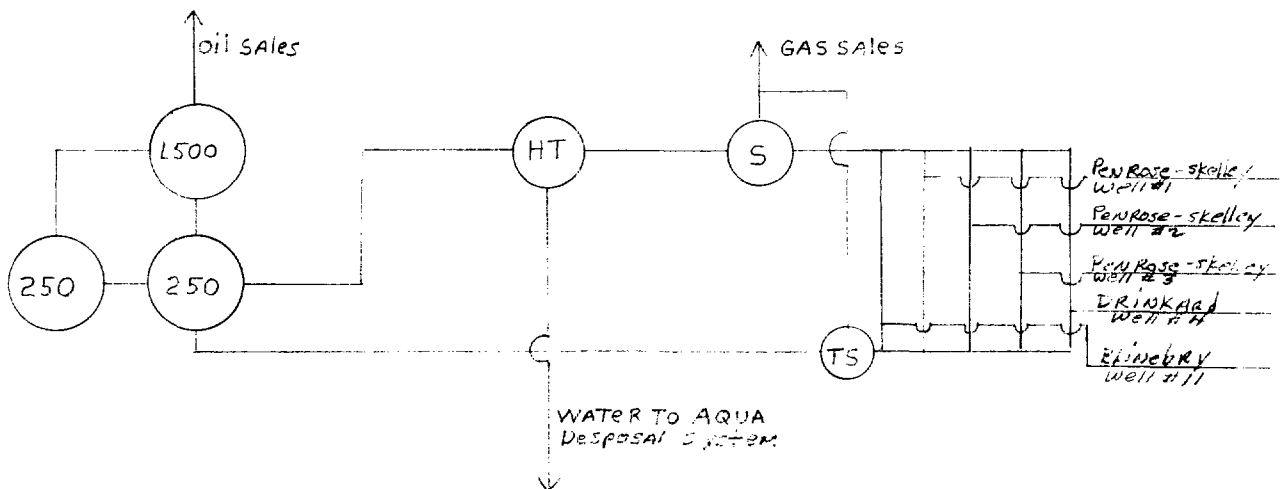
<u>Pool</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Bbl.</u>	<u>\$/Day</u>
Penrose Skelly	10.6	35.5	\$3.46	\$ 36.68
Drinkard	1.7	34.8	\$3.44	\$ 5.85
Blinebry	<u>45.0</u>	34.6	\$3.44	<u>\$154.80</u>
Total	57.3			\$197.33
Commingled	57.3	34.8	\$3.44	\$197.11
			Difference	-(\$ 0.22)

RDW:ptg
2-10-72



GULF OIL CORPORATION

SCHEMATIC DIAGRAM
PROPOSED COMMINGLING INSTALLATION
R.E. COLE (NCT-A) LEASE



ILLEGIBLE



SHELL OIL COMPANY

SHELL BUILDING
P. O. BOX 2099
HOUSTON, TEXAS 77001

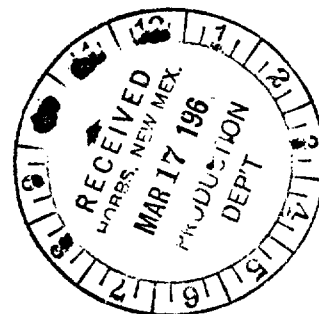
March 14, 1966

Subject: Gulf Oil Corporation
R. E. Cole NCT-A Lease
Section 16, T-22-S; R-37-E
Drinkard Field
Lea County, New Mexico

R 7 10

MAR 16 1966

CRUDE OIL DEPT.



Gulf Oil Corporation
P. O. Box 1150
Midland, Texas

Attention Mr. R. M. Wiese

Gentlemen:

This is to confirm our conversation regarding Shell's purchase of the commingled Drinkard and Penrose Skelly oil production from the subject lease.

You have advised us that approximately 3 b/d of 36.9° Drinkard production is to be commingled with some 13 b/d of 35.2° gravity Penrose Skelly production. Based on this information, Shell Oil Company, as purchaser, does not object to this commingling arrangement. However, should the volume or gravity of either the Drinkard or Penrose Skelly production change appreciably, we request that you advise us of this change so that we may have the opportunity of reviewing this arrangement.

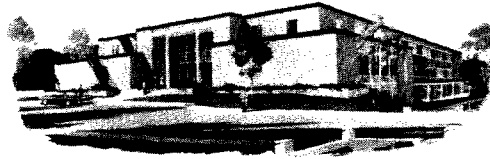
Please furnish us a copy of the Commission's commingling approval.

Yours very truly,

T. B. Medders
Crude Oil Representative

WAK:BW

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

May 16, 1966

Gulf Oil Corporation
Post Office Box 670
Hobbs, New Mexico 88240

Re: New Mexico Lease B-3480
Your R. E. Cole (NCT-A) Lease

Attention: Mr. C. D. Borland

Gentlemen:

We have reviewed your proposal to commingle your Wells Nos. 1, 3 and 4, representing Drinkard and Penrose-Skelly production from your R. E. Cole (NCT-A) Lease. It is our understanding that these three wells are located in the Northeast Quarter of the Northeast Quarter, the Northeast Quarter of the Southeast Quarter, and the Southeast Quarter of the Southeast Quarter, respectively, in Section 16, Township 22 South, Range 37 East.

Please be advised that the Commissioner of Public Lands has no objection to the commingling of the production described above. The Commissioner does, however, reserve the right to review the operation in reference to the economical aspects as they apply to the State of New Mexico.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

By

TED BILBERRY, Director
Oil and Gas Department

GBH/TB/d

cc: New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

MAIN OFFICE 0100

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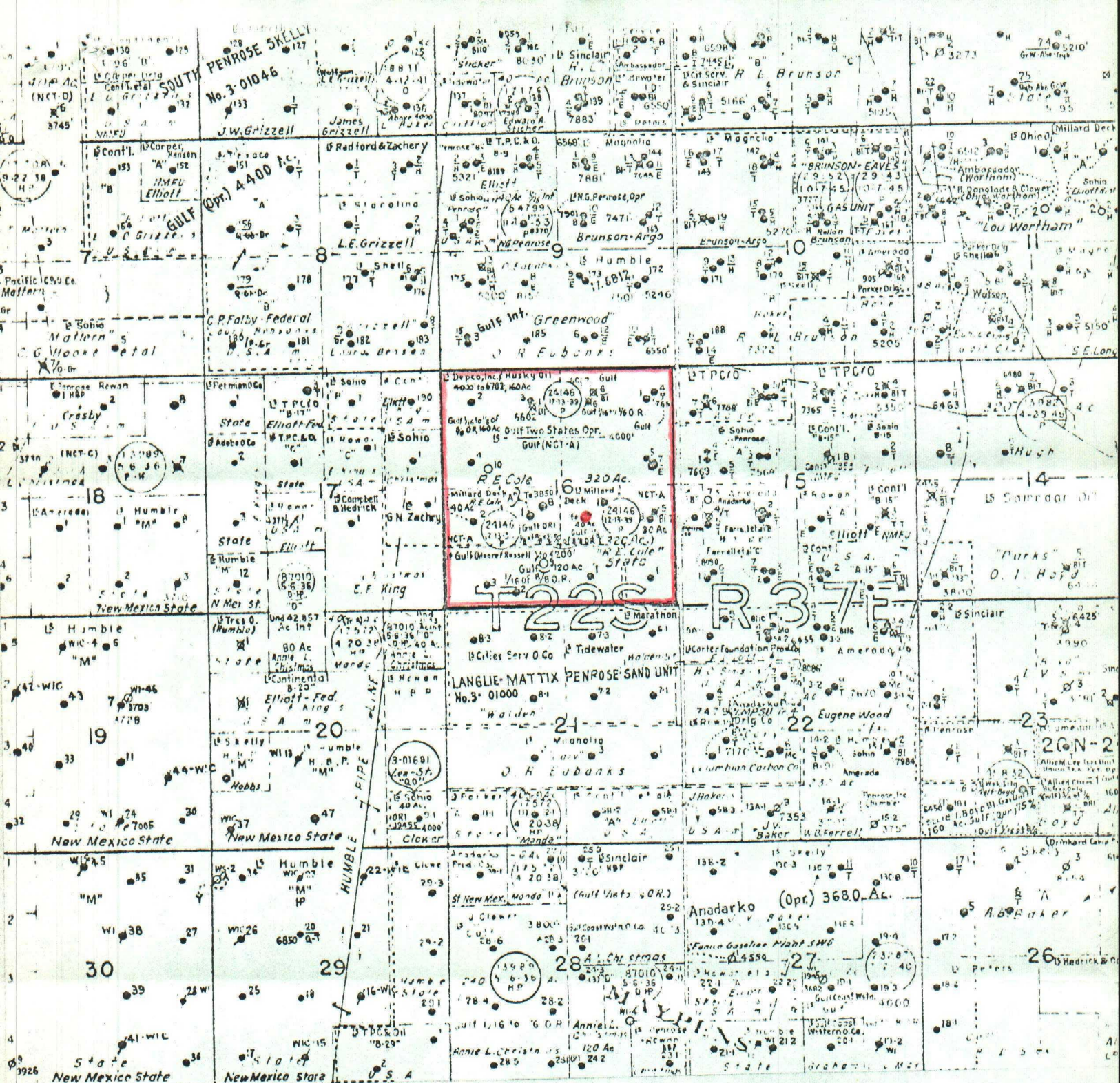
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PLAT

GULF OIL CORPORATION

R. E. Cole (NCT-) Lease

Lea County, New Mexico

Legend

Pertinent Lease

Pertinent Well

ONE-DAY PRODUCTION DATA
R. H. COOK (NUT-A) 12188

PENROSE-SKELLY POOLS - WELLS NO. 1 AND NO. 3

<u>Month</u>	<u>Well No.</u>	<u>Production Bbls./Mo.</u>	<u>Allowable Bbls./Mo.</u>	<u>No. Days Produced</u>	<u>Avg. Daily Prod., BFD</u>
December, 1965	1	145	155	31	4.7
	3	238	248	31	7.7
January, 1966	1	155	155	31	5.0
	3	136	248	25	5.4

DRINKARD POOL - WELL NO. 4

December, 1965	4	81	80	31	2.6
January, 1966	4	92	93	31	2.9

ILLEGIBLE

3-9-66

LCS:ec



SHELL OIL COMPANY

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

February 9, 1972

Subject: Gulf Oil Corporation
R. E. Cole NCT-A Lease
Blinebry Oil Pool
Lea County, New Mexico

Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701

Attention Mr. C. W. Briggs

Gentlemen:

Please refer to our letter to you dated January 12, 1972, stating that we were agreeable to purchasing the Blinebry oil from Well No. 11 commingled with the Blinebry condensate.

We understand that you now plan to commingle the Blinebry oil with the Drinkard and Penrose Skelly production. We are agreeable to purchasing the 45 barrels per day of 35-gravity Blinebry oil production commingled with the Drinkard and Penrose Skelly and would appreciate your advising 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:ERL

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

THIS COPY FOR

Name _____
Prod Mgr _____
Area Engr _____
Petrol Engr _____
Brig Gen _____

State of New Mexico



Area Ciz _____
File _____



FEB 23 1972

Commissioner of Public Lands

February 22, 1972

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

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

Re: R. E. Cole (NCT-A) Lease
Section 16-22S-37E
Lea County, New Mexico

ATTENTION: Mr. C. D. Borland

Gentlemen:

Reference is made to your application dated February 9, 1972, requesting amendment to Administrative Order PC-303 to allow Gulf to commingle Blinbry Oil with the commingled Penrose Skelly and Drinkard production, as authorized by the above-mentioned order, on the R. E. Cole (NCT-A) Lease, Section 16-22S-37E, Lea County, New Mexico.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel approval. This approval is subject to like approval by the New Mexico Oil Conservation Commission.

Your ten (\$10.00) dollar filing fee has been received.

Very truly yours,

Ray D. Graham
RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.

cc: New Mexico Oil and Gas Accounting Commission
New Mexico Oil Conservation Commission
Lease No. B-3480-1

*Called with attorney 2-23-72
He will be with me in the morning*