

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

February 8, 1980

P. O. Box 670
Hobbs, NM 88240

Re: R. E. Cole (NCT-A) Lease, Tank
Battery No. 1, Section 16-T22S-
R37E, Lea County, New Mexico,
Proposed Surface Commingling of
Eumont with Penrose Skelly,
Drinkard and Blinebry Pools

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

R. E. Cole (NCT-A) No. 20 (formally R. E. Cole "A" No. 1) was recently plugged and abandoned in the Penrose Skelly Oil and recompleted in the Eumont Oil. 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-303 to allow Gulf to surface commingle newly developed Eumont Oil with the commingled Penrose Skelly, Drinkard and Blinebry Oil. 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 individual pools, as well as commingled production. The tabulation also shows total average daily production for a 61 day period and the results of recent production tests for the new completion.

The calculated revenue from the commingled production is approximately 58 cents per day less than 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 oil 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
R. C. ANDERSON

Attachments
RHB/jr
cc: Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240



GULF OIL CORPORATION

R. E. COLE (NCT-A) LEASE, TANK BATTERY NO. 1
 Section 16-T22S-R37E
 Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Nov 79</u>	<u>Dec 79</u>		
R. E. Cole (NCT-A) #1, 2, 3 & 19 Penrose Skelly Pool	202	180	382	6.3
R. E. Cole (NCT-A) #4, 5, 8, 9, 11 15, 16, 17 & 18 Drinkard Pool	939	915	1,854	30.4
R. E. Cole (NCT-A) #6 & 11 Blinebry Oil & Gas Pool	268	348		10.0
R. E. Cole (NCT-A) #20 * Eumont Pool	-	-	-	1.0

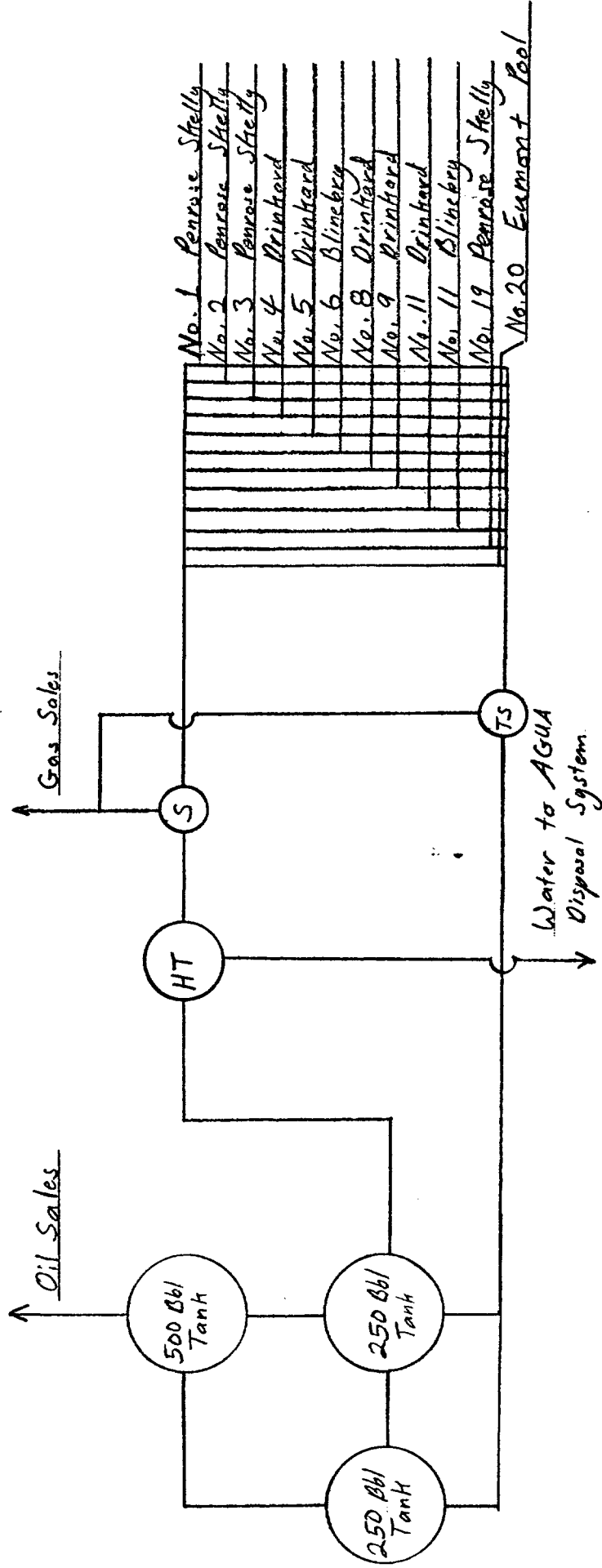
*Test Production (12-7-79)
 1 BOPD, 4 BWPD, 11 MCFPD

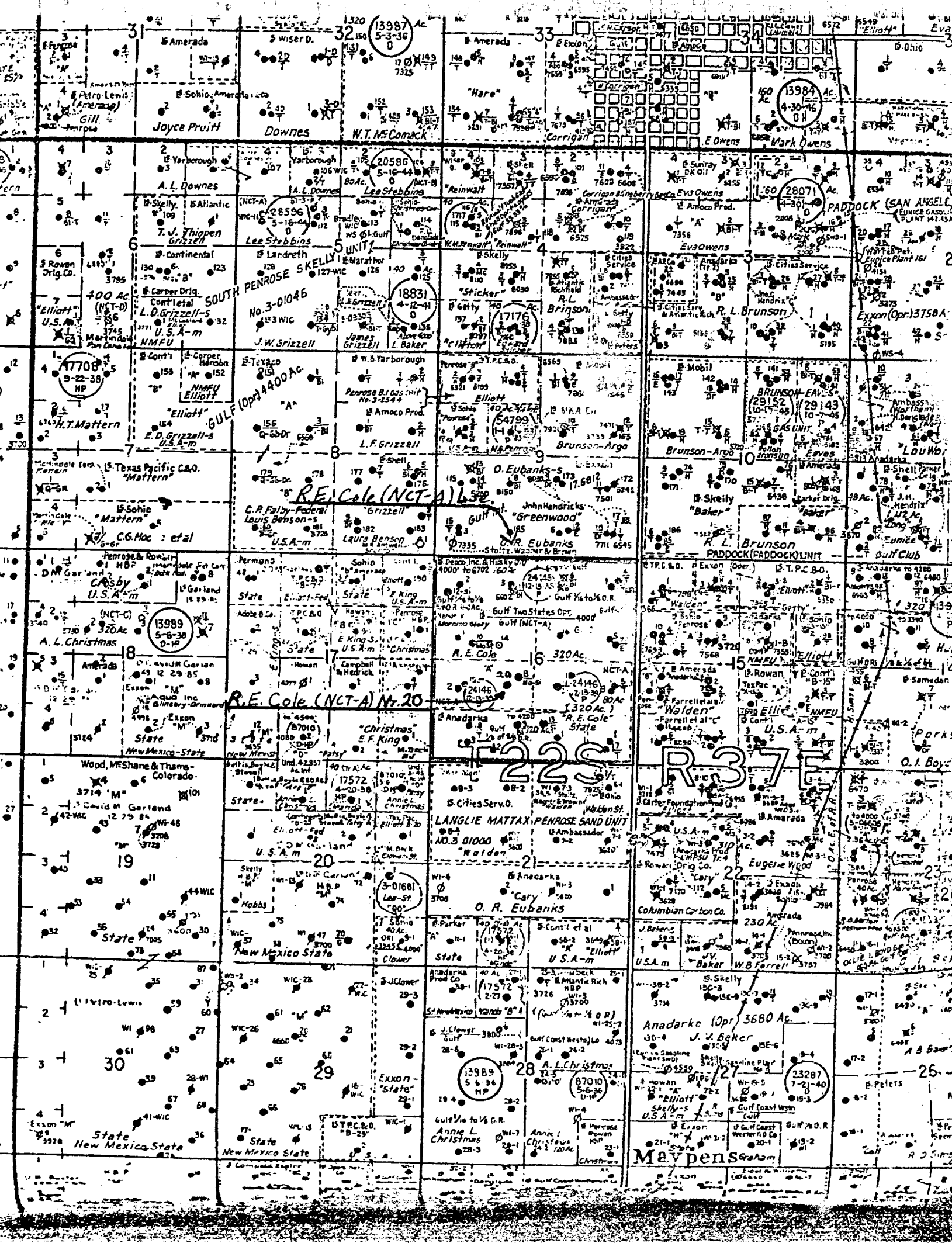
<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Penrose Skelly	6.3	35.3	\$ 37.52	\$ 236.37
Drinkard	30.4	36.6	37.52	1,140.60
Blinebry	10.0	34.5	37.78	377.80
Eumont	<u>1.0</u>	<u>31.8</u>	<u>37.42</u>	<u>37.42</u>
TOTAL	47.7			\$ 1,792.19
Commingled	47.7	35.9	\$ 37.56	\$ 1,791.61
			Difference Per Day	\$ - 0.58

GULF OIL CORPORATION
 SANTA FE

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Proposed Commingled Tank Battery
R.E. Cole (NCT-A) Lease, Tank Battery No. 1
Section 16-T22S-R37E, Lea County, New Mexico





cc: *Camford*

Shell Oil Company



Two Shell Plaza
P.O. Box 2099
Houston, Texas 77001

December 20, 1979

Gulf Oil Corporation
ATTN Mr. R. C. Anderson
P. O. Box 670
Hobbs, NM 88240

Gentlemen:

R. E. COLE (NCT-A) LEASE
PENROSE SKELLY, BLINEBRY, DRINKARD, EUMONT OIL FIELDS
LEA COUNTY, NEW MEXICO

Per phone conversation Ragsdale/Cook of December 20, 1979, we are agreeable to commingling Eumont oil production into the existing battery on the subject lease. Shell will continue to purchase the commingled production.

Yours very truly,

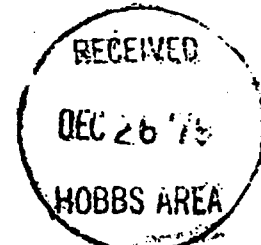
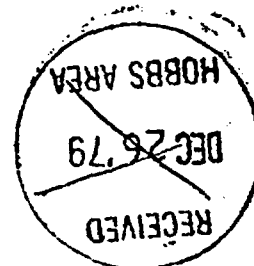
F. D. Couvillon

F. D. Couvillon, Supervisor
Field Operations - Crude Oil Supply
Operations-Domestic Raw Materials Supply

SEC/dg

cc: Gulf Oil Corporation
ATTN Mr. Bob Henry
719 Gulf Building
Midland, TX 79702

Name	Init.
Area Mgr	
Area Engr	
Area Geol	
Area Prod Supt	
Area Drlg Supt	
Area Fin Dir	
CS	CS
RHB	RHB
File	



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