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GULF OIL CORPORATION
P. O. BOX 670
Hobbs, New Mexico 88240

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April 3, 1968

Re: Exception to Rule 303
O. I. Boyd Lease, S/2 SW/4,
NE/4 SW/4 & SW/4 SE/4 of
Section 23-22S-37E, Lea
County, New Mexico

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

PC - 346

Dear Sir:

Your administrative approval is requested to commingle the Drinkard and McKee production from the subject lease. All wells are marginal producers.

This is a fee lease. Consequently, approval from the Commissioner of Public Lands is not required. Attached is a letter from Shell Oil Company agreeing to purchase the commingled crude, a plat showing the lease location, and a 60 day production record for each pool. You will note negligible effect to royalty income.

Your early approval will be appreciated.

Yours very truly,

ILLEGIBLE

C. D. Borland

C. D. BORLAND
Area Production Manager

RCS:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, New Mexico
D. L. Williams, Midland, Texas
M. I. Taylor, Roswell, New Mexico

GULF OIL CORPORATION
60 Day Production Record
O. I. Boyd Lease
Section 23-22S-37E

<u>Pay</u>	<u>Well Nos.</u>	<u>Barrels Per Month</u>		<u>Average BPD</u>
		<u>February</u>	<u>March</u>	
Drinkard	2, 3	293	176	7.8
McKee	4	927	1,227	35.9*

*Not representative - will produce approximately 60 bopd

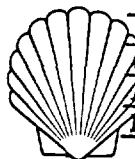
ILLEGIBLE

<u>Pool</u>	<u>BPD</u>	<u>API Gravity @ 60°</u>	<u>\$/Barrel</u>	<u>\$/Day</u>
Drinkard	7.8	36.6	\$2.92	\$ 22.78
McKee	<u>60.0</u>	43.0	\$3.06	<u>\$183.60</u>
TOTAL	67.8			\$206.38
Commingled	67.8	42.0	\$3.04	<u>\$206.11</u>
Difference				- \$ 0.27

RCS:ptg
Hobbs, N.M.
4-3-68

Petr Engr

Drlg Fmn



Geologist

Area Clk

File

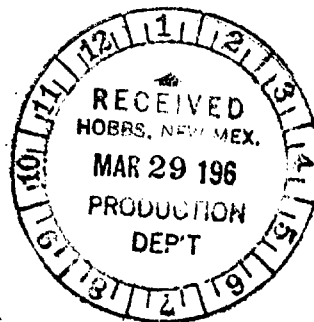
SHELL OIL COMPANY

PETROLEUM BUILDING

P.O. BOX 1509

MIDLAND, TEXAS 79701

March 28, 1968



Subject: Gulf Oil Corporation
O. I. Boyd Lease
Lea County, New Mexico

Gulf Oil Corporation (2)
P. O. Box 670
Hobbs, New Mexico 88240

Attention Mr. C. D. Borland

Gentlemen:

We have been informed that you have completed Well 4 on the captioned lease as a producer and propose to commingle this production with the Drinkard production in the Drinkard tank battery. Shell Oil Company, as purchaser of the production, has no objection to the commingling of these crudes.

Yours very truly,

For: T. B. Medders, Manager
Area Raw Materials Supply

JCH:MC

cc - Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79701
Attention Mr. D. L. Williams

