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RECEIVED
GULF OIL CORPORATION
P. O. BOX 670
Hobbs, New Mexico 88240
May 29, 1969

AC-377

Re: J. N. Carson (NCT-A) Lease
Sections 28 & 33, T-21S, R-37E,
Lea County, New Mexico

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

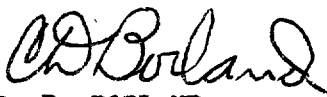
Dear Sir:

Administrative approval is requested to commingle Hare Simpson and Brunson Ellenburger production on subject lease. Production is marginal and will be allocated based on well tests. The proposed facility meets the requirements of applicable rules and regulations. Attached are:

1. Two-month production record.
2. Lease plat showing lease and well locations.
3. A schematic diagram of the proposed facility.
4. Economic analysis of the proposal.
5. Letter from Shell agreeing to purchase the commingled crude.

This is a fee lease and does not require approval of the Land Commissioner. Your early consideration of this request will be appreciated.

Yours very truly,


C. D. BORLAND
Area Production Manager

RCS:ptg
Att'd.

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

GULF OIL CORPORATION
J. N. Carson (NCT-A) Lease
Sec. 28 & 33, 21S, 37E
Lea County, New Mexico

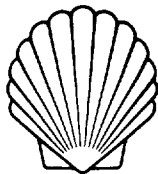
51-Day Production Record

<u>Pay</u>	<u>March 1969</u>	<u>April 1969</u>	<u>Total</u>	<u>Avg. B/D</u>	<u>Top Alw. B/D</u>
Brunson Ellenburger, Well No. 7, Unit B. Section 33	140	135	275	5	145
Hare Simpson, Well No. 10 Unit J, Section 28	-	-	-	Est. 25	145

<u>Economic Analysis</u>	<u>B/D</u>	<u>Gvty.</u>	<u>\$/Bbl.</u>	<u>\$/Day</u>
<u>Pool</u> Brunson Ellenburger, Well No. 7	5	46.1	\$3.23	\$16.15
Hare Simpson, Well No. 10	25 Estimate	48.6	\$3.23	\$80.75
Commingled	30	48.2	\$3.23*	\$96.90

* "Sweet" price, over 40° = \$3.23/bbl.

RCS:ptg
Hobbs, N. M.
5-29-69



SHELL OIL COMPANY

PETROLEUM BUILDING

P.O. BOX 1509

MIDLAND, TEXAS 79701

February 13, 1969

Subject: Gulf Oil Corporation
J. N. Carson NCT-A
Sections 28 and 33
T-21-N, R-37-E - Brunson
(Ellenburger) and Hare (Simpson)
Fields - Lea County, New Mexico

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

Attention Mr. C. D. Borland

Gentlemen:

In accordance with our recent conversation with Mr. D. L. Williams, Shell, as purchaser of the production, has no objection to your commingling the Hare (Simpson) with the existing Brunson (Ellenburger) production on the above lease.

Yours very truly,

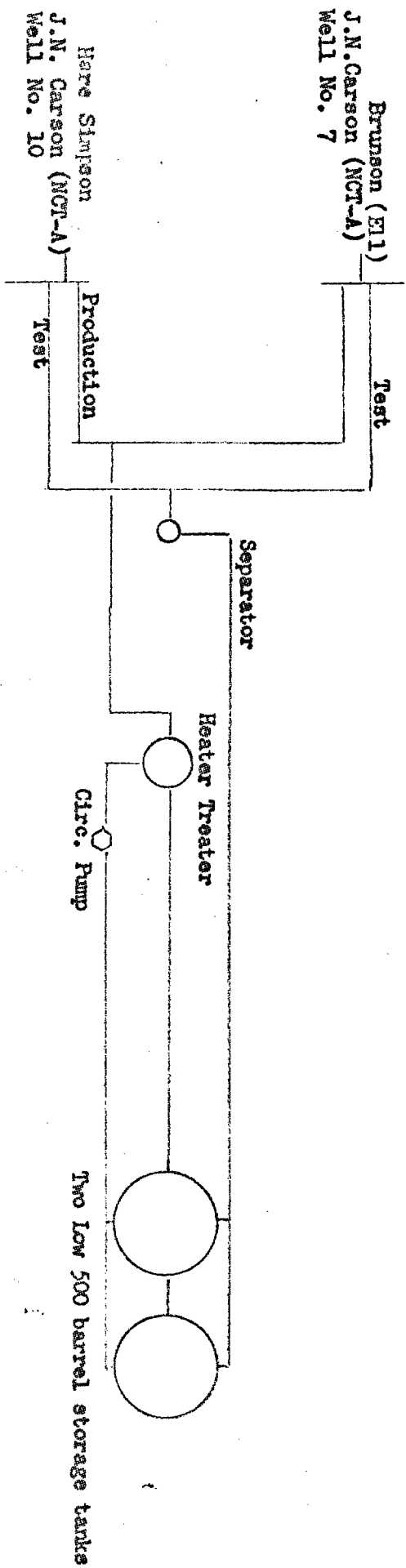
J. C. Hart
Raw Materials Supply
Midland Division Services

TEM:ERL

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

Shell Pipe Line Corporation
Post Office Box 1910
Midland, Texas 79701 - Attention Mr. W. J. Grillos

Shell Pipe Line Corporation
Post Office Box 1910
Midland, Texas 79701 - Attention Tender Section



SCHEMATIC COMMINGLING BATTERY
 GULF OIL COMPANY - U.S.
 J. N. CARSON (NCT-A) LEASE
 Sections 28 & 33, T-21S, R-36E
 Lea County, New Mexico