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

OCT 2 1969

October 1, 1969

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

PC
NCT-E No. 5, Section 16-21S-37E
NE/4 16-21S-37E

Dear Sir:

Gulf has completed a workover of the plugged and abandoned Harry Leonard (NCT-E) No. 5, Section 16-21S-37E, Lea County, New Mexico, into an undesignated Montoya Pool. This is the only Montoya producing well on the lease, the other pertinent production being Blinebry Oil (Well Nos. 1, 2, 3, and 4) and Drinkard Oil (Well Nos. 2 and 3). It is proposed for your approval that the marginal production from the Blinebry and Drinkard pools be commingled so that existing tank battery facilities can be utilized for the Montoya production.

You will notice from the attached tabulations that the commingled production of the Blinebry and Drinkard oils will have a slightly higher value (\$.84/day). Also attached is a copy of the conditional approval from the Commissioner of Public Lands' office, Mobil Oil Company's agreement to purchase commingled production, a plat of the involved area, and a schematic diagram of the proposed installation.

If additional information is needed on this commingling request, please advise.

Yours very truly,



C. D. BORLAND
Area Production Manager

KWR:ptg
Att'd.

cc: M. I. Taylor
C. W. Briggs
Oil Conservation Commission, Hobbs, N.M.

SUNF OIL CORPORATION
Henry Leonard (NGL-42) Lease

<u>Pool</u>	<u>Bbls/Day</u>	<u>API Gravity 60°</u>	<u>\$/Bbl.</u>	<u>Revenue/Day</u>
Blaineby	58	37.9	\$3.25	\$ 188.50
Drinkard	14	34.1	\$3.19	\$ 44.66
Total	72			\$233.16
Commingled	72	37.1	\$3.25	\$234.00
		Difference		+ \$.84

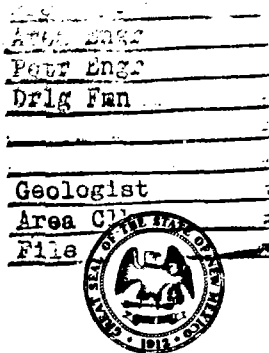
Blaineby Pool - Wells No. 1, 2, 3, 4

<u>Month</u>	<u>Avg. Daily Prod-Bbls/Day</u>	<u>Top Allowable Bbls/Day per Well</u>
May, 1969	53	83
June, 1969	53.3	85

Drinkard Pool - Wells No. 2, 3

May, 1969	12	110
June, 1969	14	113

KHL:ptg
Hobbs, N.M.
9-22-69



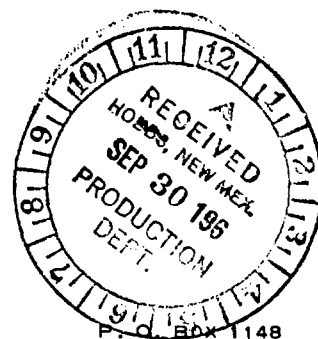
ALEX J. ARMIJO
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

September 29, 1969



SANTA FE, NEW MEXICO

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

Re: Commingling
Blinebry & Drinkard
Production from Harry
Leonard (NCT-E) Lease
Lea County, New Mexico

ATTENTION: Mr. C. D. Borland

Gentlemen:

Reference is made to your application dated September 22, 1969, requesting approval to commingle the marginal Blinebry and Drinkard production from your Harry Leonard (NCT-E) Lease. The Blinebry production being from Wells No. 1, 2, 3, & 4 and the Drinkard production from wells No. 2 and 3, also well No. 5.

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 the subsequent approval of the New Mexico Oil Conservation Commission.

Very truly yours,

Ted Bilberry
Ted Bilberry, Director
Oil and Gas Department

TB/ML/s
cc: OCC-Santa Fe, New Mexico

Mobil Oil Corporation

SEP 18 Ent'd

CRUDE OIL DEPT.
P.O. BOX 633
MIDLAND, TEXAS 79701

September 18, 1969

Gulf Oil Corporation
Crude Oil Department
P. O. Box 1150
Midland, Texas 79701

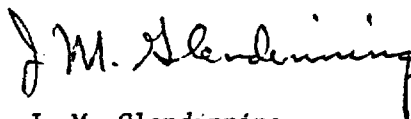
Attn: Mr. C. W. Briggs

RE: Harry Leonard NCT "E"
Northeast Quarter Section 16
T-21S, R-37E
Lea County, New Mexico

Gentlemen:

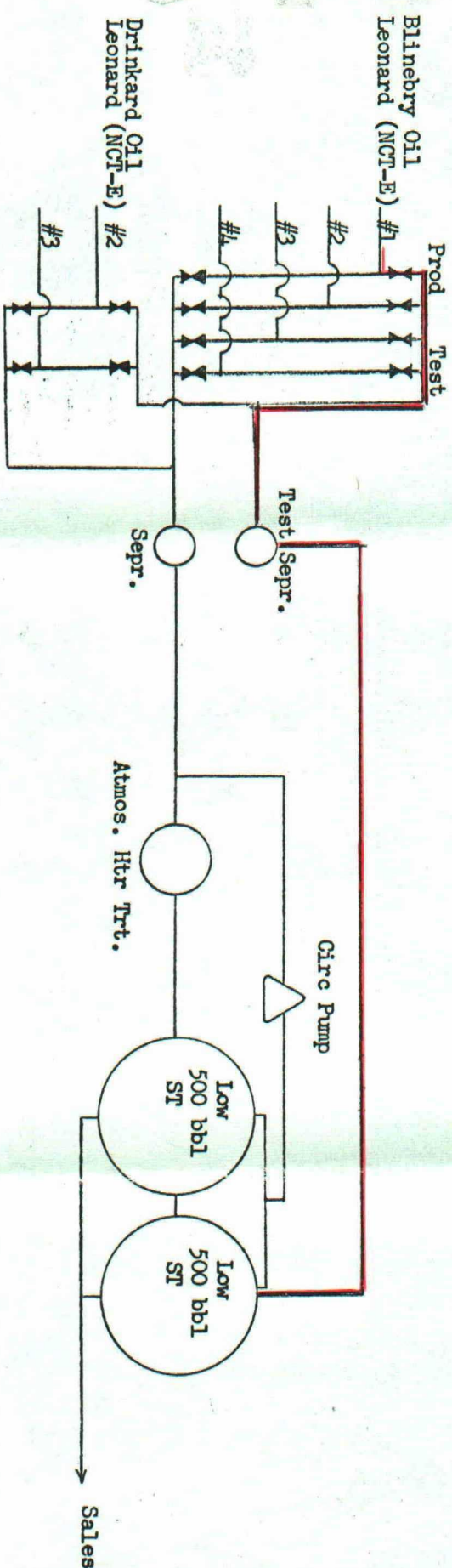
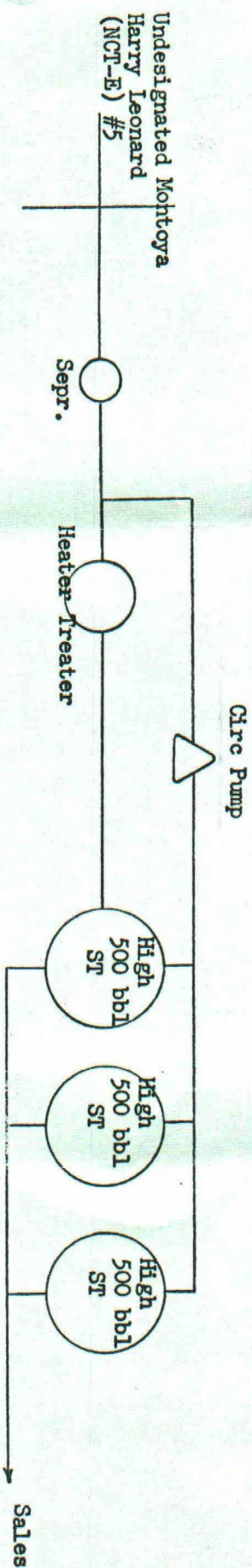
This will confirm our telephone conversation of this date whereby we advised that Mobil is agreeable to your commingling the Blinebry and Drinkard production from the subject lease. Our purchases will be on a commingled gravity run basis applying our posted price for West Texas-New Mexico intermediate crude.

Very truly yours,



J. M. Glendinning
Crude Oil Department

JMG/tw



COMINGLING APPLICATION
GULF OIL CORPORATION
Harry Leonard (NCT-E) Lease
NE/4 Section 16-21S-37E,
Lea County, New Mexico

Red line indicates path followed by
production from well on test