

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box 670
Hobbs, New Mexico 88240

February 12, 1975

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

Amend PC-391

Dear Sir:

Oil Conservation Commission Administrative Order No. PC-391 dated November 19, 1969 authorized surface commingling of the Drinkard and Blinebry Oil production on our Harry Leonard (NCT-E) Lease comprising the NE/4 of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico.

Gulf Oil Corporation requests your administrative approval to amend Administrative Order No. PC-391 to provide separate storage facilities for the Drinkard production, and to permit commingling of the Blinebry Oil, Blinebry Gas Condensate and the Tubb Gas Condensate production on this lease. All wells are marginal. Production will be allocated on the basis of periodic well tests.

This is State Land and the State Land Commissioner has been furnished a copy of this application and asked for a letter of approval for this proposal.

The attached tabulations show the average daily production for the 62-day period for December, 1974 and January, 1975. You will notice from the tabulations that the actual commercial value of the oil will not change if the Drinkard oil is put in separate storage and the Blinebry Oil, Blinebry Gas Condensate and Tubb Gas Condensate are commingled as proposed.

Attached is a plat of the lease as well as a schematic diagram of the proposed commingled tank battery.

Your early reply to this application will be appreciated.

Yours very truly

C. D. Borland
C. D. BORLAND

CRK:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
J. L. Pike, Midland, Texas
C. W. Briggs, Midland, Texas
State Land Commissioner

*Drinkard & Blinebry Oil
Harry Leonard (NCT-E) Lease
NE/4 Sec 16, Twp 21S, Rge 37E, Lea Co
periodic well tests*

cc to End of c



A DIVISION OF GULF OIL CORPORATION

*Remarks:
File to this amendment to PC-391 regarding commingling of Blinebry and Drinkard*

GULF OIL CORPORATION
Harry Leonard (NCT-E) Lease

Production Data

Value of Oil Based on Existing Storage Facilities:

<u>Pool</u>	<u>Bbls/Day</u>	<u>Corr. Gvty</u>	<u>\$/Bbl.</u>	<u>Bbls/Day x \$/bbl.</u>
Drinkard, Blinebry Oil &) Blinebry Gas Condensate) Commingled)	60.2	39.2	\$ 11.14	\$670.63
Tubb Gas Condensate	<u>0.2</u>	51.0	\$ 11.16	<u>\$ 2.23</u>
Total	60.4			\$672.86

Value of Oil Based on Proposed Storage Facilities:

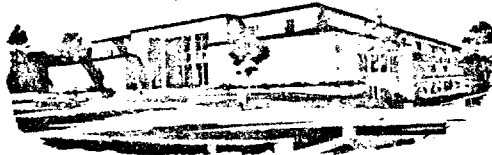
Drinkard	25.9	39.6	\$ 11.14	\$288.53
Blinebry Oil, Blinebry) Gas Condensate and Tubb) Gas Condensate Commingled)	<u>34.5</u>	39.0	\$ 11.14	<u>\$384.33</u>
Total	60.4			\$672.86

Therefore, we do not anticipate any change in oil revenue by separating the Drinkard production and commingling the Blinebry Oil, Blinebry Gas Condensate and Tubb Gas Condensate as proposed.



State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

February 20, 1975

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

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

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ATTENTION: Mr. C. D. Borland

Gentlemen:

Reference is made to your request to commingle a part of the production on your Harry Leonard (NCT-E) Lease, described as the NE/4 of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico.

You are hereby given approval to the above request. This approval is subject to like approval by the New Mexico Oil Conservation Commission.

Your filing fee in the amount of Ten (\$10.00) Dollars has been received.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encls.
cc:

New Mexico Oil Conservation Commission ✓

New Mexico Oil & Gas Accounting Commission

Lease No. B-1732-1

F-21S R-37E

GULF OIL CORPORATION
Proposed Commingled Tank Battery - Harry Leonard (NCT-E) Lease
Blinbery Oil, Blinbery Gas & Tubb Gas Pools

