OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 18, 1970

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

Attention: Mr. C. D. Borland

Administrative Order PC-405

Gentlemen:

Reference is made to your application for administrative approval of an exception to Rule 303-A of the Commission Rules and Regulations to permit the commingling of Monument Grayburg-San Andres and Monument-Blinebry production on your Graham State (NCT-F) Lease comprising the SE/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that production from both pools on said lease is of marginal nature.

By the authority vested in me under the provisions of Rule 303-B of the Commission Rules and Regulations, Gulf Oil Corporation is hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner, provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," and provided further, that you shall notify the Commission at such time as any well on said lease is capable of top allowable production.

It is the responsibility of the producer to notify the transporter of the aforesaid commingling authority.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Pe

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Jery trust yours,

. L. PORTER, Jr Decretary-Linector

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