

10.

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

June 8, 1970

405
Re: Surface Commingling
Graham State (NCT-F) Lease,
Monument Grayburg San Andres
& Monument Blinbry Pools,
Lea County, New Mexico

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

Dear Sir:

Your administrative approval is respectfully requested for an exception to Rule 303-A to permit surface commingling in common facilities of the marginal Monument Grayburg San Andres and Monument Blinbry Pools on our Graham State (NCT-F) Lease. This lease comprises the SE/4 of Section 36-19S-36E, Lea County, New Mexico.

You will notice from the attached tabulations that the commingled production will have a slightly higher value (\$.12/day). Also attached is a copy of the conditional approval from the Commissioner of Public Lands, Shell Oil Company's agreement to purchase commingled production, a plat of the involved area, and a schematic diagram of the proposed installation.

Yours very truly,


C. D. BORLAND
Area Production Manager

KWR:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
C. W. Briggs, Midland, Texas
M. I. Taylor, Roswell, New Mexico

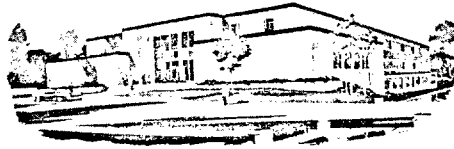
GULF OIL CORPORATION - GRAHAM STATE (NCT-F) LEASE

<u>Pool</u>	<u>Bbls/day</u>	<u>API Gvty @ 60°</u>	<u>\$/Bbl.</u>	<u>Revenue/Day</u>
Monument Blinebry	15	38.1	\$3.10	\$ 46.50
Monument Grayburg SA	27	30.5	\$2.94	<u>\$ 79.38</u>
				<u>\$125.88</u>
Commingled	42	33.1	\$3.00	<u>\$126.00</u>
				\$.12+

KWR:ptg
Hobbs, NM
5-27-70



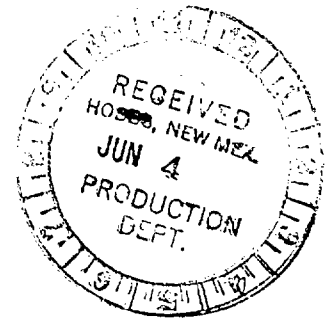
State of New Mexico



Commissioner of Public Lands

June 3, 1970

ALEX J. ARMIJO
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

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

ATTENTION: Mr. C. D. Borland

Gentlemen:

Reference is made to your application dated May 27, 1970, requesting approval to surface commingle the Marginal Monument Grayburg San Andres and Monument Blinbry production from your Graham State (NCT-F) Lease, comprising the SE/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.

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 like approval by the New Mexico Oil Conservation Commission.

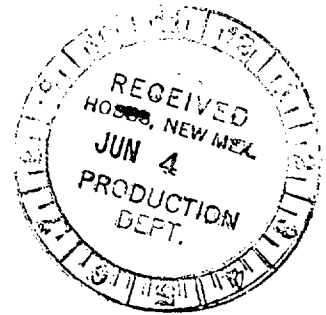
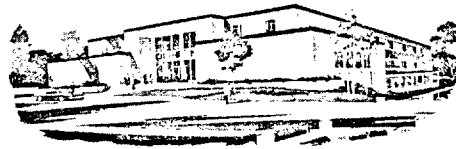
Your ten (\$10.00) dollar filing fee has been received.

Very truly yours,

Ted Bilberry
Ted Bilberry, Director
Oil and Gas Department

TB/ML/s

cc: New Mexico Oil Conservation
Commission
Santa Fe, New Mexico 87501



Commissioner of Public Lands

June 3, 1970

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

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

ATTENTION: Mr. C. D. Borland

Gentlemen:

Reference is made to your application dated May 27, 1970, requesting approval to surface commingle the Marginal Monument Grayburg San Andres and Monument Blinberry production from your Graham State (NCT-F) Lease, comprising the SE/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.

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 like approval by the New Mexico Oil Conservation Commission.

Your ten (\$10.00) dollar filing fee has been received.

Very truly yours,

Ted Bilberry
Ted Bilberry, Director
Oil and Gas Department

TB/ML/s

cc: New Mexico Oil Conservation
Commission
Santa Fe, New Mexico 87501



SHELL OIL COMPANY

PETROLEUM BUILDING

P.O. BOX 1509

MIDLAND, TEXAS 79701

May 22, 1970

RECEIVED

MAY 25 Ent'd

CRUDE OIL DEPT.

Subject: Gulf Oil Corporation
Graham State NCT-F Lease
Monument (Blinebry) and
Monument (Grayburg) Field
Section 36, T-19-S, R-36-E
Lea County, New Mexico

Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701

Attention Mr. C. W. Briggs

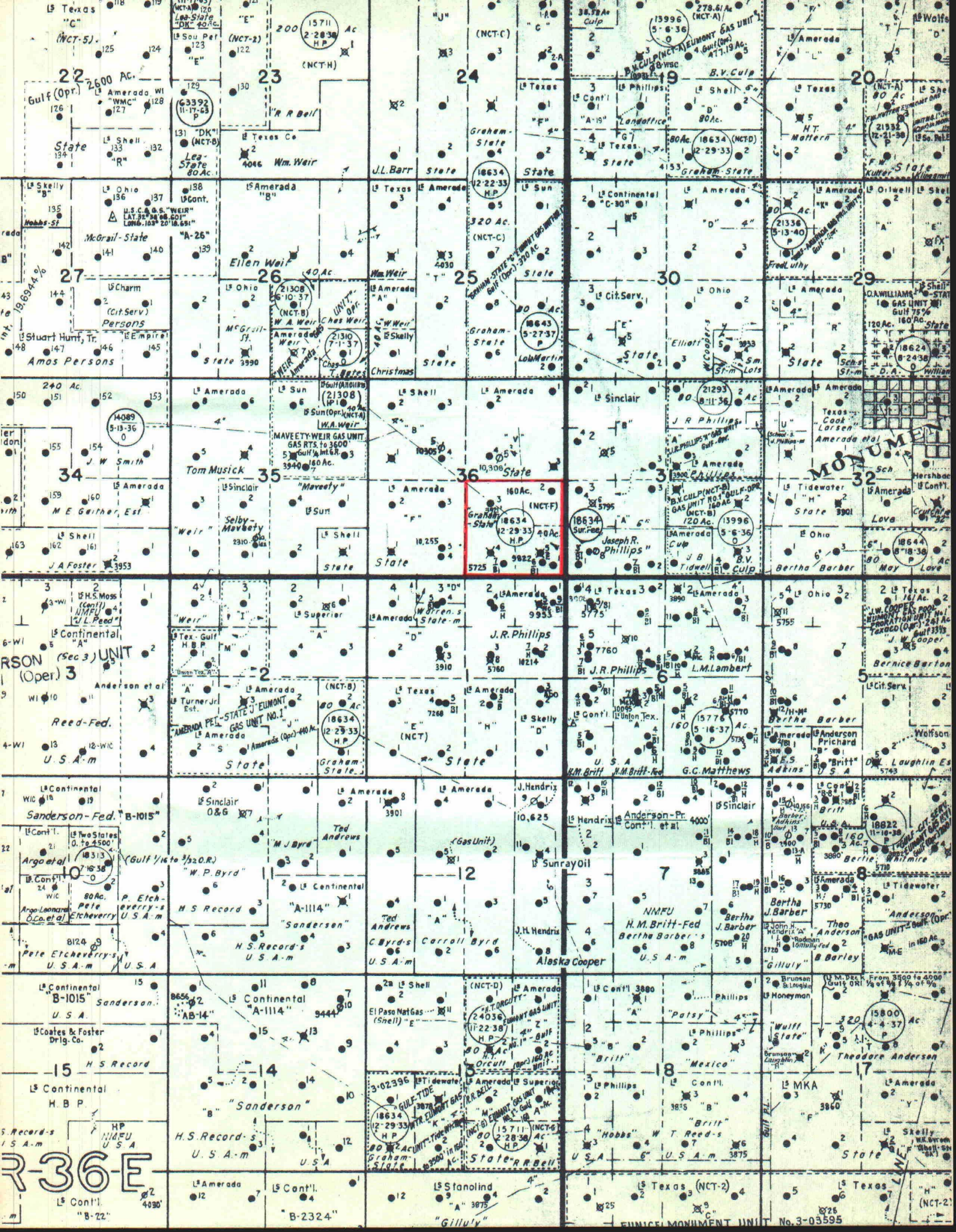
Gentlemen:

Confirming our recent conversation, Shell Oil Company is agreeable to purchasing the Blinebry and Grayburg production from the captioned lease from a commingled battery. It is our understanding that you will abandon the battery presently serving the Blinebry production and use the battery presently serving the Grayburg production for the commingled crude oil.

Yours very truly,

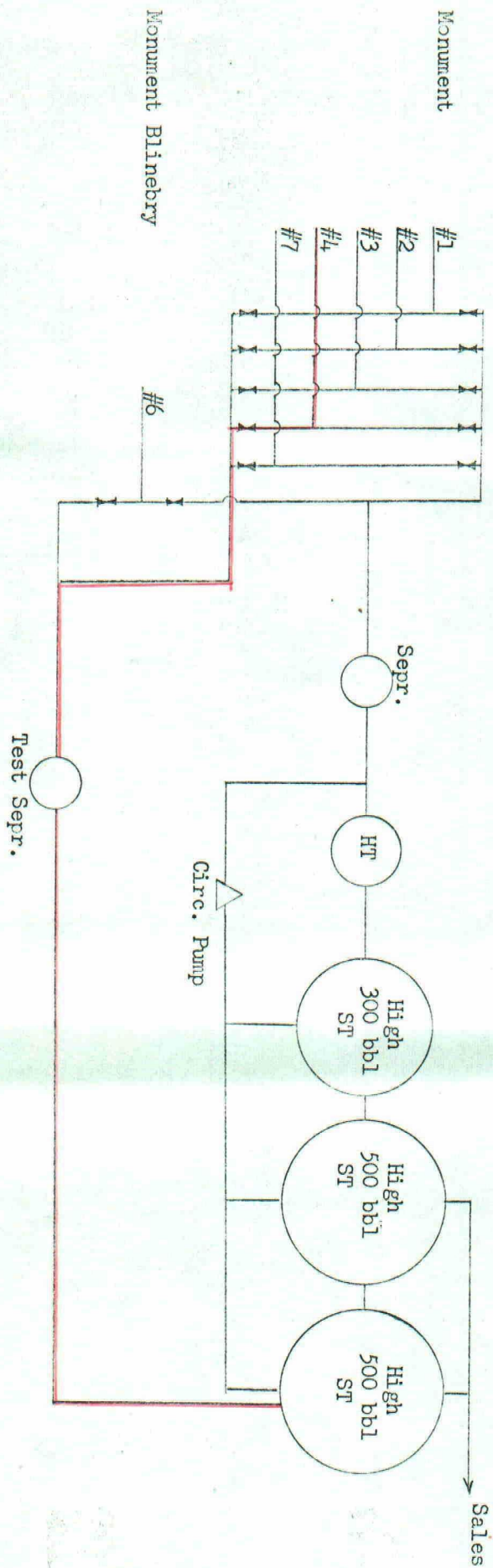
For: T. B. Medders, Manager
Raw Materials Supply.
Field Operations - Southwest

ERL



COMINGLING APPLICATION - GULF OIL CORPORATION

Graham State (NCT-F) Lease, SE/4 Section 36-19S-36E
Lea County, New Mexico



Red line indicates path followed by production from well on test.