OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 4, 1971

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

Attention: Mr. C. D. Borland

Administrative Order PC-414

N-414

Gentlemen:

Reference is made to your application for administrative approval of an exception to Rule 303 of the Commission Rules and Regulations to permit the commingling of Blinebry and Drinkard oil and Tubb condensate on your Watkins Lease which comprises the S/2 SE/4 of Section 29, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico. It is our understanding that all of this production is of marginal nature and that you therefore propose to allocate the production on the basis of periodic well tests.

By the authority invested in me under the provisions of Rule 303-B of the Commission Rules and Regulations, Gulf Oil Company 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 in any of the aforesaid pools 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/dr

cc: Oil Conservation Comm. - Hobbs Oil & Gas Engineering Committee - Hobbs

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Very trily jours,

a. J. FORMER, Jr. becretary-Director

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