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Gulf Oil Company - U.S. OIL CONSERVATION COMMISSION
Santa Fe

HOBBS PRODUCTION AREA

C. D. Borland
AREA PRODUCTION MANAGER

October 11, 1972

P. O. Box 670
Hobbs, New Mexico 88240

Re: J. R. Holt (NCT-A) Lease
Section 16-24S-37E, Lea
County, New Mexico

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

Dear Sir:

Gulf recently drilled and completed the J. R. Holt (NCT-A) No. 4 well in the Fowler Upper Yeso Pool. In order to avoid considerable expense to install and maintain a tank battery for one Fowler Upper Yeso well, Gulf hereby seeks an exception to Rule 303-A to allow Gulf to surface commingle Fowler Devonian production with Fowler Upper Yeso production on the above mentioned lease. The wells produced from both pools are marginal and will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities, and monetary value of the liquid hydrocarbons from individual pools, as well as commingled production for a 60 day period in the Fowler Devonian Pool and test production in the Fowler Upper Yeso Pool.

The calculated revenue from the commingled production will be slightly less (\$1.46 per day) than the total revenue from the individual pools.

Attached is a schematic diagram of the proposed installation, along with a lease plat. Texaco gave Gulf their verbal approval to buy the commingled production. Also attached is approval of commingling from the Land Commissioner.

This commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Yours very truly,

C. D. Borland
C. D. BORLAND
Area Production Manager

RDW:ptg
Att'd.

cc: Oil Conservation Commission - Hobbs
J. L. Pike
C. W. Briggs



GULF OIL CORPORATION
 J. R. HOLT (NCT-A) LEASE
 Section 16-24S-37E
 Lea County, N. M.

<u>Well Nos.</u>	<u>Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
		<u>July 1972</u>	<u>August 1972</u>		
3	Fowler Devonian	751	754	1,505	24.3
4	Fowler Upper Yeso	*			134.0

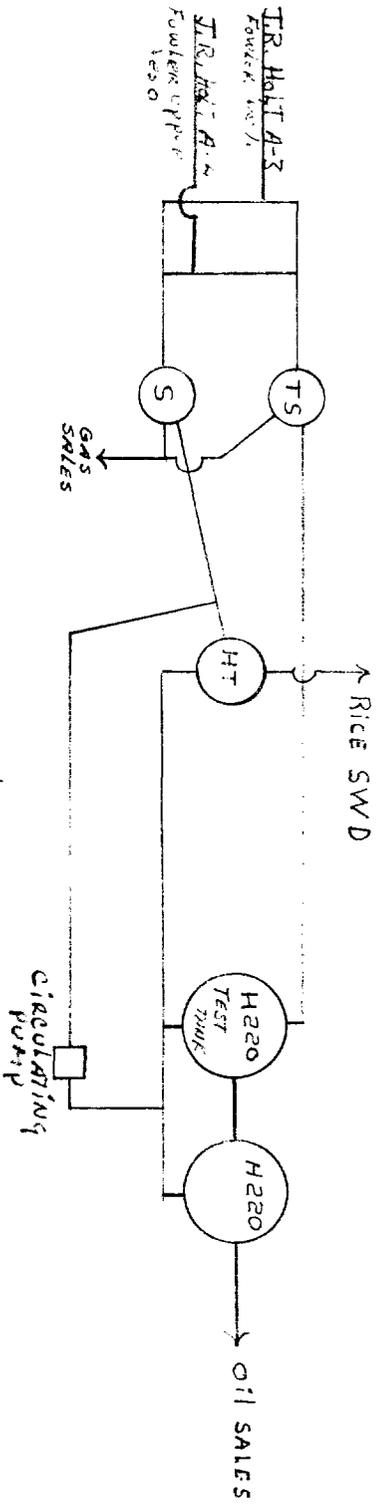
*Test Production

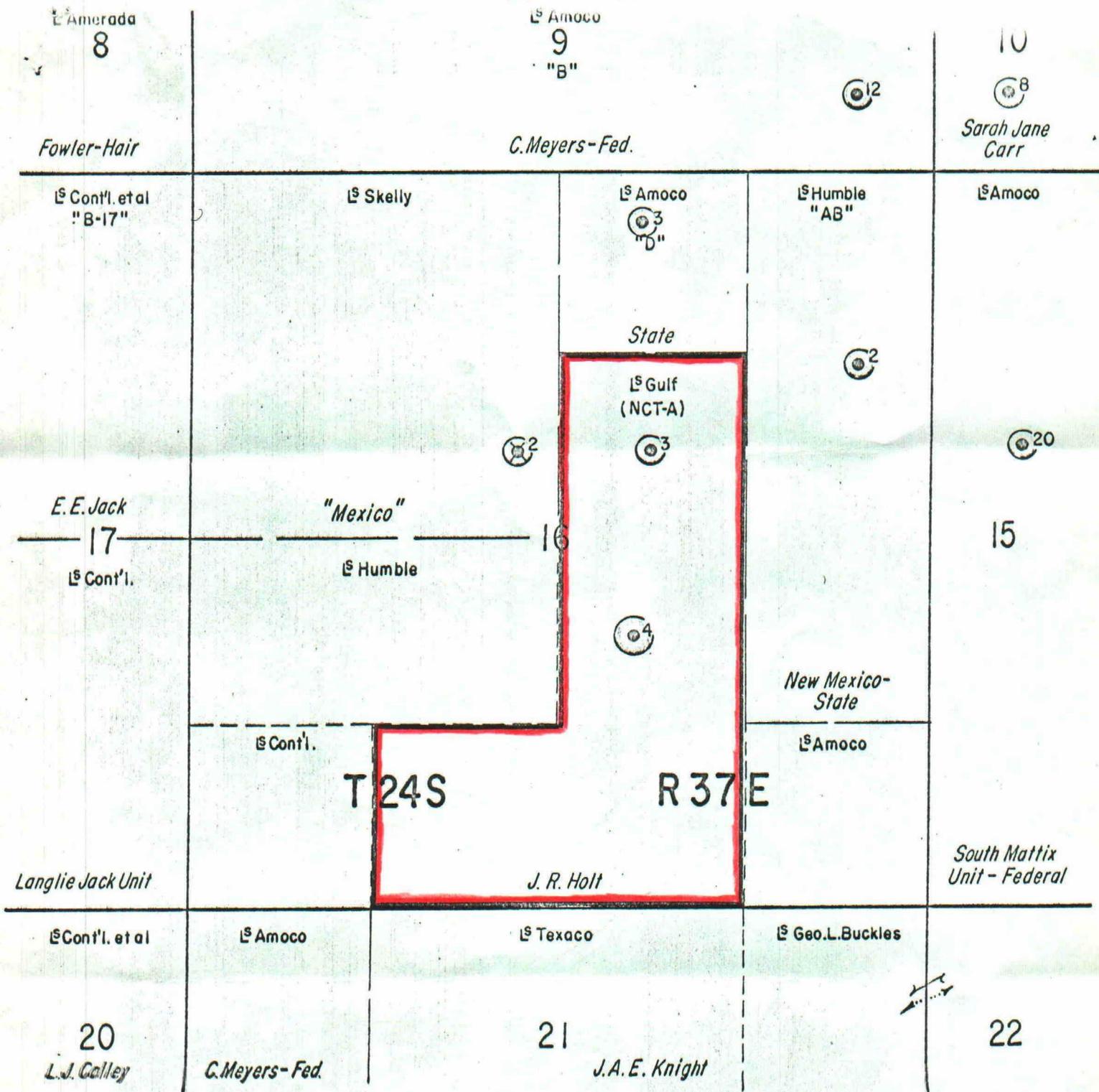
	<u>BPD</u>	<u>Gravity</u>	<u>\$/Barrel</u>	<u>\$/Day</u>
Fowler Devonian	24.3 ✓	42°	\$3.45	\$ 83.84
Fowler Upper Yeso	134.0 ✓	37°	\$3.39	<u>\$454.26</u>
Total	158.3			\$538.10
Commingled	158.3	37.8°	\$3.39	<u>\$536.64</u>
		Difference		-\$ 1.46/day)

RDW:ptg
 9-27-72

GULF OIL CORPORATION

Schematic Diagram
Proposed Commingling Installation
J. R. Holt (NCT-A) Tank Battery

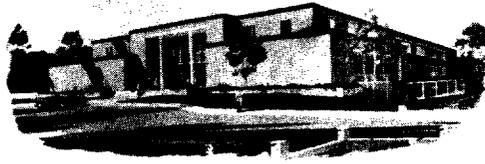




GULF OIL CORPORATION
 J. R. HOLT (NCT-A) LEASE
 Sec. 16-24S-37E, Lea Co., N.M.

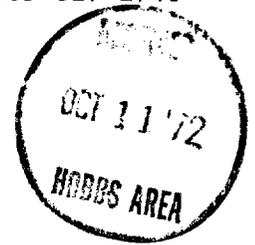
State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

October 10, 1972



ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

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

Re: J. R. Holt (NCT-A) Lease
Section 16-24S-37E, Lea
County, New Mexico

ATTENTION: Mr. C. D. Borland

Gentlemen:

Reference is made to your application dated September 27, 1972, requesting approval to commingle the marginal Fowler Devonian and Fowler Upper Yeso production from your J. R. Holt (NCT-A) Lease. The Fowler Devonian production being from well No. 3 and the Fowler Upper Yeso production from Well No. 4.

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,

A handwritten signature in cursive that reads "Ray D. Graham".

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

cc: New Mexico Oil Conservation Commission
New Mexico Oil and Gas Accounting Commission
New Mexico State Oil & Gas Lease No. B-243-1

Gulf Oil Company U.S.

HOBBS PRODUCTION AREA

SEP 28 0 46 AM '72

C. D. Borland
AREA PRODUCTION MANAGER

September 27, 1972

STATE LAND OFFICE
SANTA FE, N. M.

P. O. Box 670
Hobbs, New Mexico 88240

Re: J. R. Holt (NCT-A) Lease
Section 16-24S-37E, Lea
County, New Mexico

B-243-1

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Dear Sir:

Your approval is requested to surface commingle the marginal Fowler Devonian and Fowler Upper Yeso production from our J. R. Holt (NCT-A) Lease. This is State land comprising the SW/4 NE/4, NW/4 SE/4, SE/4 SW/4, and SW/4 SE/4 Section 16-24S-37E Lea County, New Mexico. Fowler Devonian production is from Well No. 3 while Fowler Upper Yeso production is from Well No. 4 recently drilled and completed.

The attached tabulation shows that the commingled production will have a slightly lower value (\$1.46 per day) than separated production. Other attachments include a plat of the area involved, a schematic diagram of the proposed installation and the \$10.00 application fee for commingling. Texaco has given verbal approval to purchase the commingled production.

An answer to this application at your earliest convenience would facilitate our seeking approval from the Oil Conservation Commission.

Yours very truly,



C. D. BORLAND
Area Production Manager

ptg:
Att'd.

