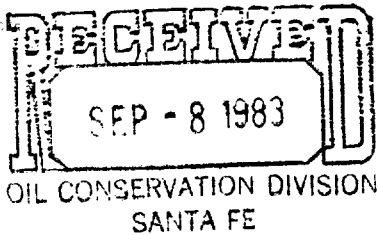


Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER
HOBBS AREA



August 30, 1983

P. O. Box 670
Hobbs, NM 88240

Re: Vivian Lease, Tank Battery #1
Section 30-T22S-R38E
Lea County, New Mexico
Proposed Surface Commingling of
Production from the Drinkard, Tubb
Gas, Wantz Granite Wash, South
Brunson Abo, and Blinebry Oil and
Gas Pools, Amendment to Commingling
Order PC-486

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject lease, Gulf hereby seeks an exception to Rule 303A. This will allow Gulf to commingle production from the Drinkard, Tubb Gas, Wantz Granite Wash, South Brunson Abo, and Blinebry Oil and Gas Pools. All wells will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production. The tabulation also shows total average daily production for a 2 month period and the results of recent production tests for the new completion. The calculated revenue from the commingled production is approximately 87 cents per day more than the total revenue from the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Texaco, Inc. has agreed to purchase the commingled production as proposed herein.

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

Yours very truly,


R. C. ANDERSON

CNB/skc
Att'd



cc: Oil Conservation Division-Hobbs
J. R. Frank-Midland

Vivian Tank Battery #1
Section 30-T22S-R38E
Lea County, New Mexico

<u>Well and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>April 83</u>	<u>May 83</u>		
Vivian #3, 8, 10, & 11 Drinkard Pool	92	94	186	3.0
Vivian #1 & #2 Tubb Gas	0	0	0	0
Vivian #8, 9, 10, 11 & 12 Wantz Granite Wash Pool	901	822	1723	28.2
Vivian #4 South Brunson Abo Pool	74	75	149	2.4
Vivian #5, 6, & 7 Blinebry Oil & Gas	346	273	619	10.1
Vivian #1 Blinebry Oil & Gas	-	-	-	90.0

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Drinkard	3.0	36.1	\$29.42	\$ 88.26
Tubb	0.0	45.2	29.60	0.00
Wantz Granite Wash	28.2	37.9	29.46	830.77
South Brunson Abo	2.4	36.0	29.42	70.61
Blinebry Oil & Gas	100.1	35.2	29.40	2942.94
Total				\$3932.58
Commingled	133.7	35.8	29.42	3933.45
				Difference Per Day 0.87

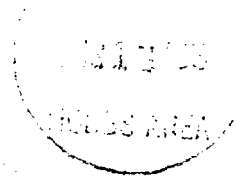
LCH KDP- In file



PETROLEUM PRODUCTS

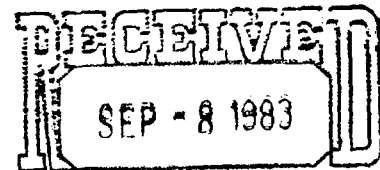
T. J. SAVAGE
ASSISTANT MANAGER
CRUDE OIL TRADING

August 16, 1983



TEXACO
U.S.A.
A DIVISION OF TEXACO INC.
300 WEST WALL STREET
P. O. BOX 3109
MIDLAND, TEXAS 79702
(915) 682-0541

GULF EXPLORATION & PRODUCTION CO.
VIVIAN LEASE
LEA COUNTY, NEW MEXICO
0055-0764-0001
0055-2216-0001



OIL CONSERVATION DIVISION
SANTA FE

Mr. R. C. Anderson
Gulf Exploration & Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

Dear Mr. Anderson:

Reference the previous arrangements which provided for your sale of the subject lease production from commingled storage to Texaco Inc. with connection by the Texas-New Mexico Pipe Line Company into their Intermediate Sweet system.

Currently, Battery I (Drinkard, Wantz Granite Wash, Tubb Gas and Brunson South Abo) is being produced and saved separately from Battery II (Blincy and Blincy Gas), each having its own storage facilities. We now understand that the two batteries will be commingled into one storage facility.

Texaco is agreeable to purchasing this commingled production.

Yours very truly,

T. J. SAVAGE

BJF:LAL

cc: Mr. J. E. Baker
Gulf Refining & Marketing Co.
P. O. Box 1150
Midland, Texas 79701

VIVIAN TANK BATTERY #1

SECTION 30-T22S-R38E

LEA COUNTY, NEW MEXICO

