

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

July 7, 1981

P. O. Box 670
Hobbs, NM 88240

Re: Alice Paddock Lease, Tank Battery
Section 1 T22S R37E Lea County, NM
Proposed Surface Commingling of
Production from the Blinebry and
Paddock Pools

Mr. Joe D. Ramey
Energy & 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 amendment to Administrative Order PC-~~355~~³⁵⁰. This amendment will allow Gulf to commingle production from the Blinebry Gas, Blinebry Oil, Drinkard-Tubb Gas, Wantz (Granite Wash), and Wantz Abo formations. 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 two month period and the results of recent production tests for the new completion. The calculated revenue from the commingled production is approximately 2 dollars and 18 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. Shell Pipeline Corporation 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

MWC/skj

cc: Oil Conservation Commission - Hobbs
C. F. Kalteyer - Midland



A DIVISION OF GULF OIL CORPORATION

Alice Paddock Lease, Tank Battery
Section 1-T22S-R37E
Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>April 1981</u>	<u>May 1981</u>		
Alice Paddock #9 Wantz Abo Pool	-	-	-	20
Alice Paddock #1, 5, 2 & 4 - Blinebry Oil and Gas Pool	336	343	679	23
Alice Paddock #6 Drinkard Pool	74	84	158	5
Alice Paddock #3, & 5 Tubb Gas Pool	20	20	40	1
Alice Paddock #6, 7, & 8 Wantz Granite Wash	440	441	881	29

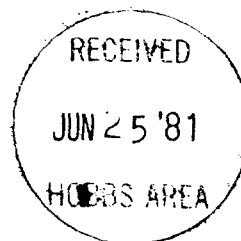
	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Wantz Abo	20	38.2	\$33.71	\$ 674.20
Blinebry	23	37.2	33.69	774.87
Drinkard	5	39.8	33.75	168.75
Tubb	1	44.8	33.75	33.75
Wantz Granite Wash	<u>29</u>	<u>40.1</u>	<u>33.75</u>	<u>978.75</u>
Total	78	38.2 40.80		\$2630.32
Commingled	78	40.0	\$33.75	\$2632.50
		Difference		(+2.18)

Shell Oil Company



Petroleum Building
P.O. Box 1509
Midland, Texas 79702

June 24, 1981



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

Gentlemen:

GULF OIL CORPORATION
ALICE PADDOCK LEASE WELL #9
BLINEBRY GAS-BLINEBRY OIL-DRINKARD-TUBB GAS
WANTZ (GRANITE WASH)-WANTZ ABO

This is to confirm the phone conversation between your Mr. Jim Baker and the undersigned concerning the subject lease.

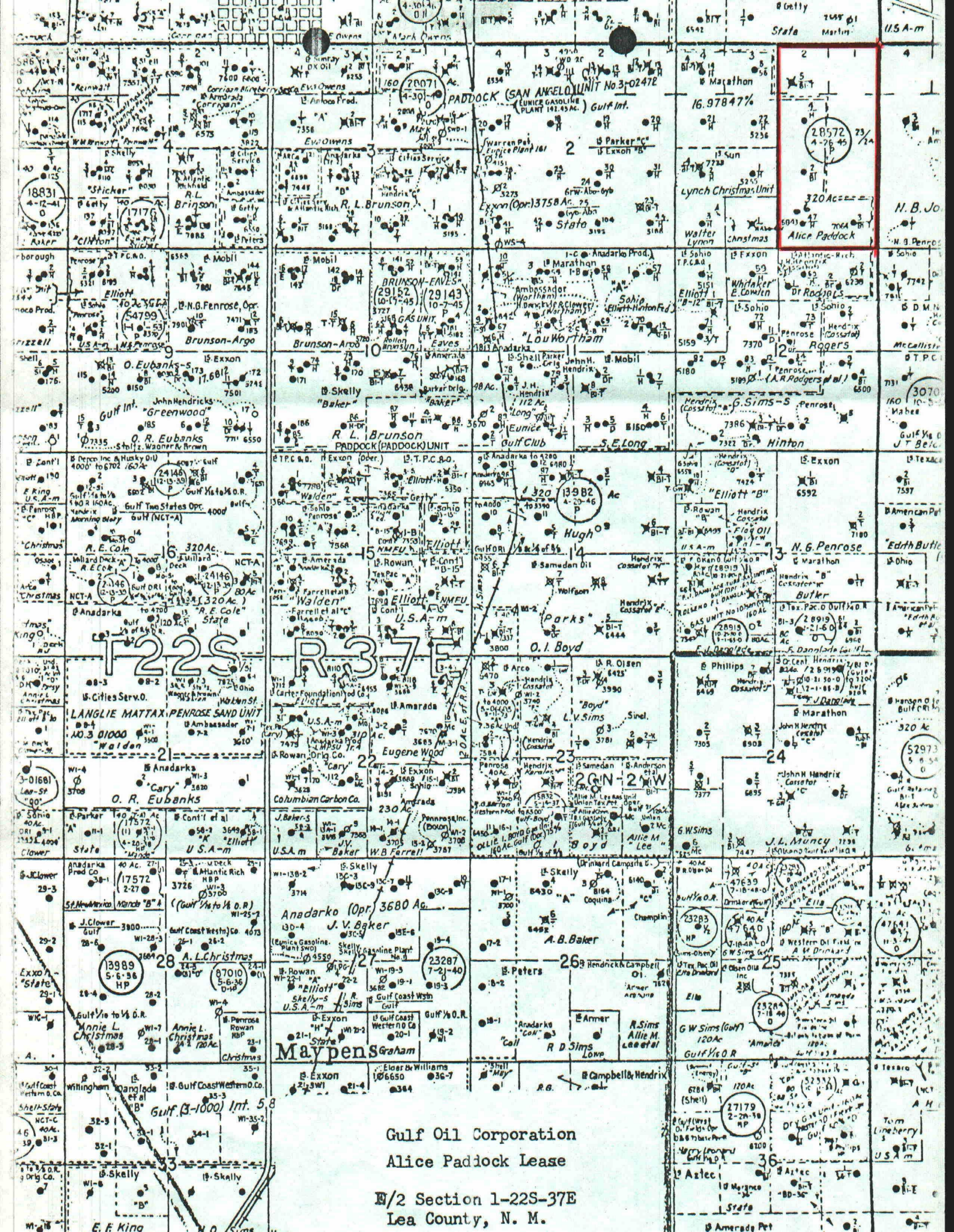
As discussed, we will continue to purchase the commingled production from the Blinebry Gas, Blinebry Oil, Drinkard-Tubb Gas, Wantz (Granite Wash), Wantz Abo formations.

Yours very truly,

R. R. Minus, Jr.
Crude Oil Representative
Midland Office

RRM:ec

cc: Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79701
Crude Oil Department



GULF OIL CORPORATION
Alice Paddock Lease
Proposed Commingled Tank Battery
Wantz Abo, Blinebry Oil & Gas, Drinkard, Wantz Granite Wash, & Tubb Gas Pools

