

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER
HOBBS AREA

March 2, 1984

P. O. Box 670
Hobbs, NM 88240

Re: Surface Commingling Application
Eubank Lease
Section 22-T21S-R37E
Lea County, New Mexico

RECEIVED
MAR 10 1984
HOBBS, NM
OIL CONSERVATION DIVISION
U.S. DEPT. OF THE INTERIOR

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

Dear Sir:

In order to avoid the considerable expense for maintaining two tank batteries for the subject lease, Gulf hereby seeks an exception to Rule 303A. This will allow Gulf to commingle production the the Blinebry Gas, Tubb and Drinkard Oil currently being produced into the Eubank #1 Battery, with the Blinebry Oil currently being produced into the Eubank #5 Battery. All wells will be tested periodically for allocation of production.

The attached tabulation shows the volume, gravities, and monetary values of the liquid hydrocarbons from the currently commingled pools, as well as the proposed commingled production. The tabulation shows the total average daily production for a two month period and the results of recent production tests. The calculated revenue from the proposed commingled production is greater than the current non-commingled revenue.

Also attached is a schematic diagram of the storage facilities for the proposed commingled production and a lease plat. Shell Oil Company has agreed to continue to purchase the commingled production.

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

Yours very truly,


R. C. ANDERSON

TSM/skc
Att'd

cc: OCD-Hobbs
J. R. Frank-Midland
E. L. Allen-Eunice



A DIVISION OF GULF OIL CORPORATION

EUBANK LEASE
Section 22-T21S-R37E
Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Dec 83</u>	<u>Jan 84</u>		
Eubank #1 Tank Battery Blinebry Gas Tubb, Drinkard #1, 2, 3, 4, 7, & 8	228	395	623	10.0
Eubank #5 Tank Battery Blinebry Oil #5	75	127	202	3.3

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Blinebry Gas Tubb, Drinkard	10.0	38.5	\$28.47	\$ 284.70
Blinebry Oil	3.3	39.7	28.49	94.02
Total				\$ 378.72
Surface Commingled	13.3	38.8	28.476	\$ 378.73
			Difference	+.01

Calculations

$$\text{Commingled Gravity: } \frac{10.0 (38.5) + 3.3 (39.7)}{13.3} = 38.8$$

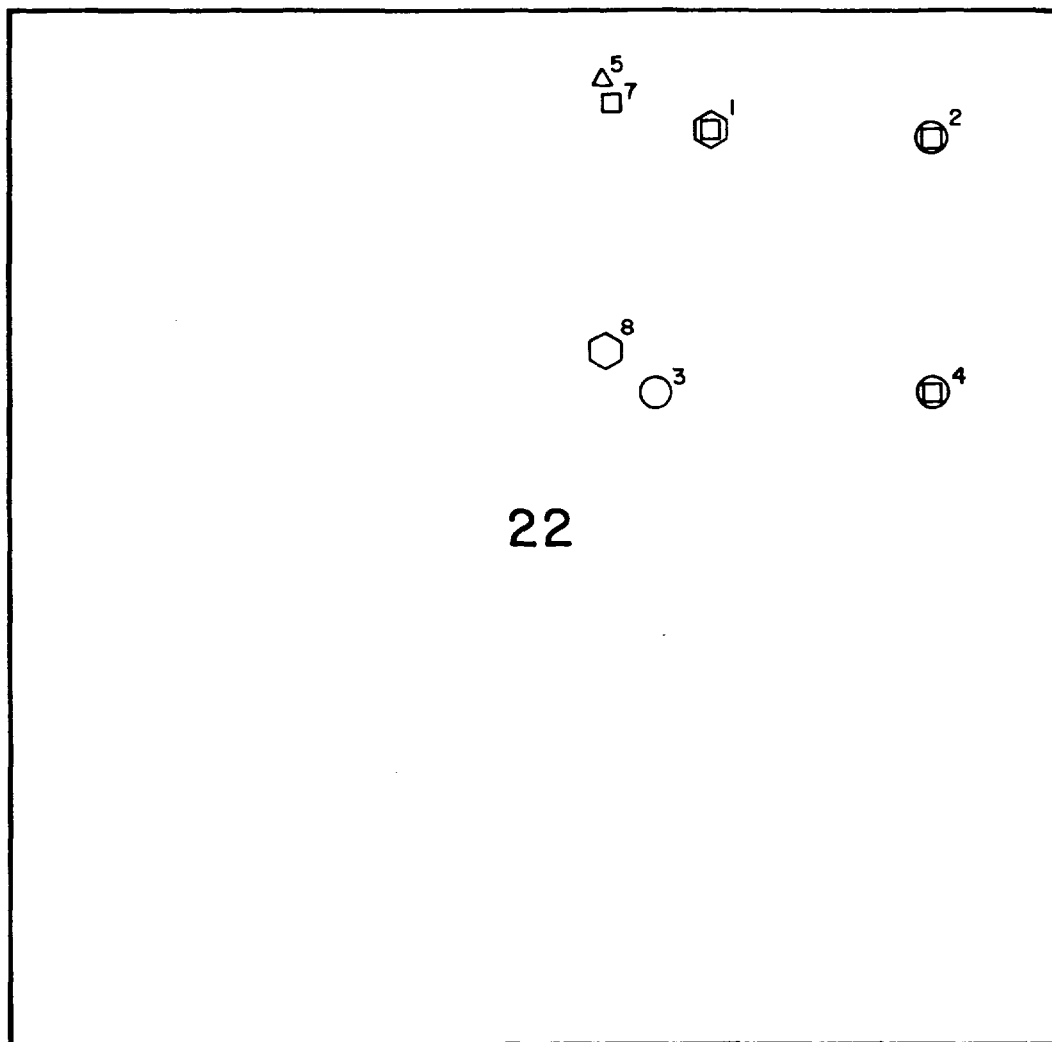
$$\text{Battery Price: } \$/\text{Bbl} = 28.50 - .02 (40 - \text{API Gravity})$$

$$\begin{aligned} \text{Eubank \#1 Tank Battery: } \$/\text{Bbl} &= 28.50 - .02 (40 - 38.5) \\ &= 28.50 - .03 \\ &= 28.47 \end{aligned}$$

$$\begin{aligned} \text{Eubank \#5 Tank Battery: } \$/\text{Bbl} &= 28.50 - .02 (40 - 39.7) \\ &= 28.50 - .006 \\ &= 28.494 \end{aligned}$$

$$\begin{aligned} \text{Commingled: } \$/\text{Bbl} &= 28.50 - .02 (40 - 38.8) \\ &= 28.50 - \\ &= 28.476 \end{aligned}$$

EUBANK LEASE
Section 22 - T21 S - R37E
Lea County, New Mexico



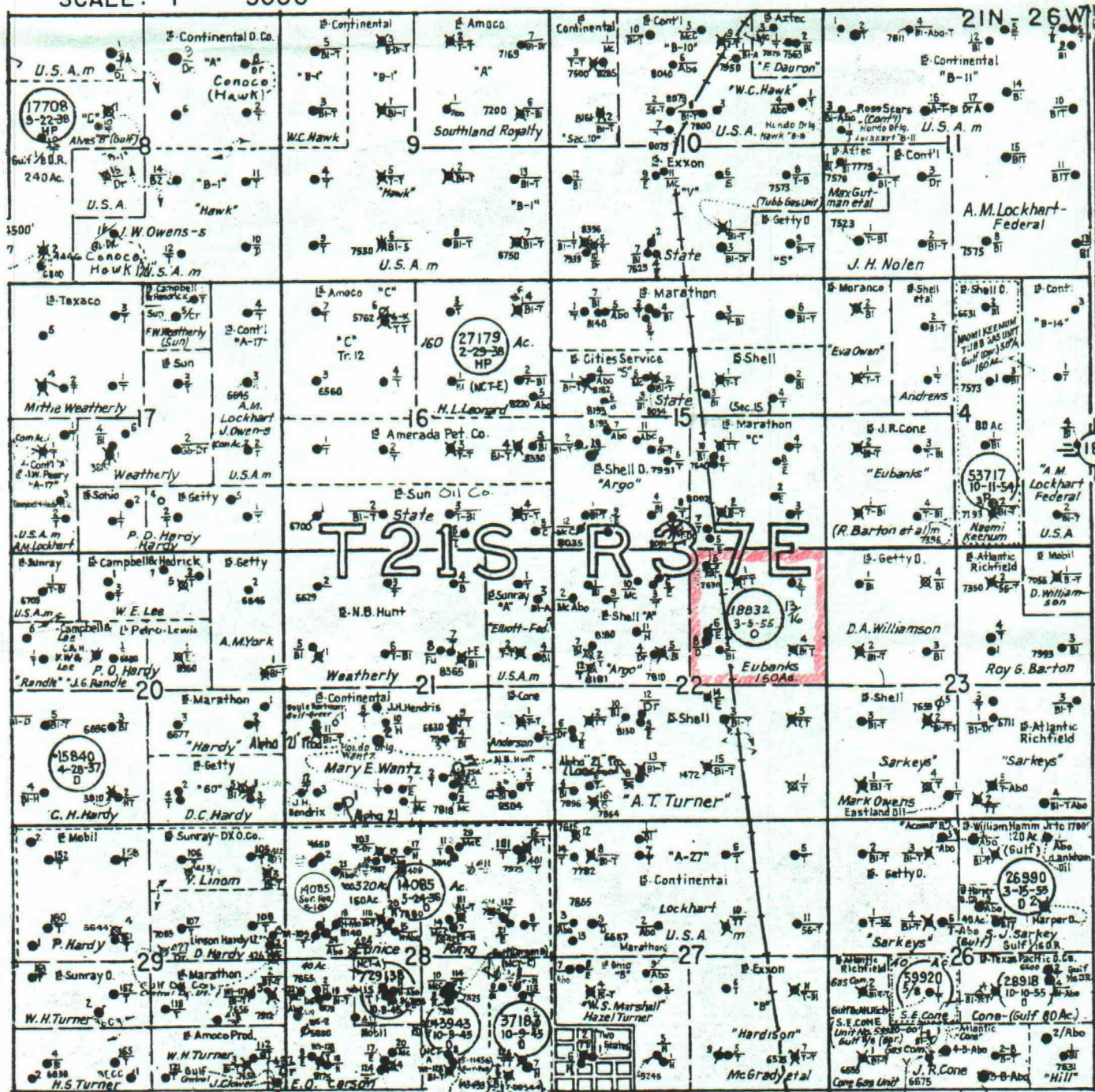
GULF OIL CORP.



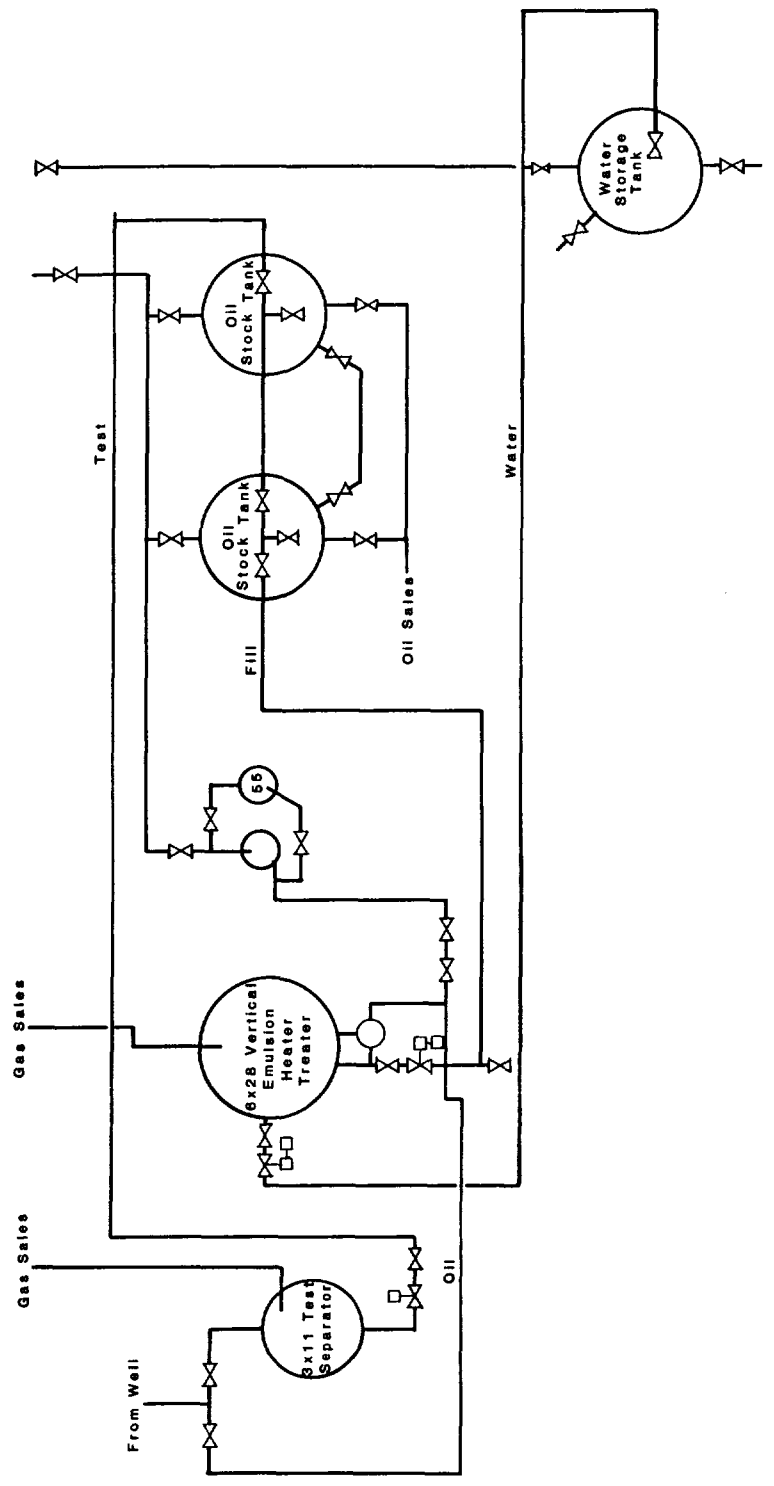
CODE	POOL	WELL NUMBERS
□	Drinkord Oil	1, 2, 4, 7
△	Blinebry Oil	5
○	Blinebry Gas	2, 3, 4
○	Tubb Gas	1, 8

Gulf Oil Corporation

SCALE: 1" = 3000'



Gulf Oil Corporation
 Eubank Lease
 Section 22 - T21S - R37E
 Lea County, New Mexico
 Proposed Surface Commingle Tank Battery Plat





600 N. Mariefeld
Suite 310
Midland, Texas 79701

February 9, 1984

Gulf Oil Corporation
ATTN Mr. R. C. Anderson
P. O. Box 670
Hobbs, New Mexico 88240

Gentlemen:

GULF OIL CORPORATION
EUBANK LSE.
BLINEBRY OIL & GAS, DRINKARD &
TUBB GAS FLD.
LEA COUNTY, NEW MEXICO
SHELL I.D. #X88831B00

This is to confirm the phone conversation between your Midland office and our office concerning the subject lease.

As discussed, we will continue to purchase the commingled production from the Blinberry Gas, Blinberry Oil, Drinkard & Tubb Gas formations.

Yours very truly,

R. R. Minus, Jr.

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

RRM:ec

cc: Gulf Oil Corporation
ATTN Mr. Jim Baker
P. O. Box 1150
Midland, TX. 79702