

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

August 15, 1980

P. O. Box 670
Hobbs, NM 88240

Re: E. A. Sticher Lease, Tank
Battery, Sec. 4-T22S-R37E,
Lea County, New Mexico,
Proposed Surface Commingling
of Production from the Blinebry
and Paddock Pools

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 amendment to Administrative Order PC-513. This amendment will allow Gulf to surface commingle Blinebry Oil from E. A. Sticher Well No. 2 with Paddock Oil from E. A. Sticher Well No. 3. 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 20 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

KML/jr

Attachments

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

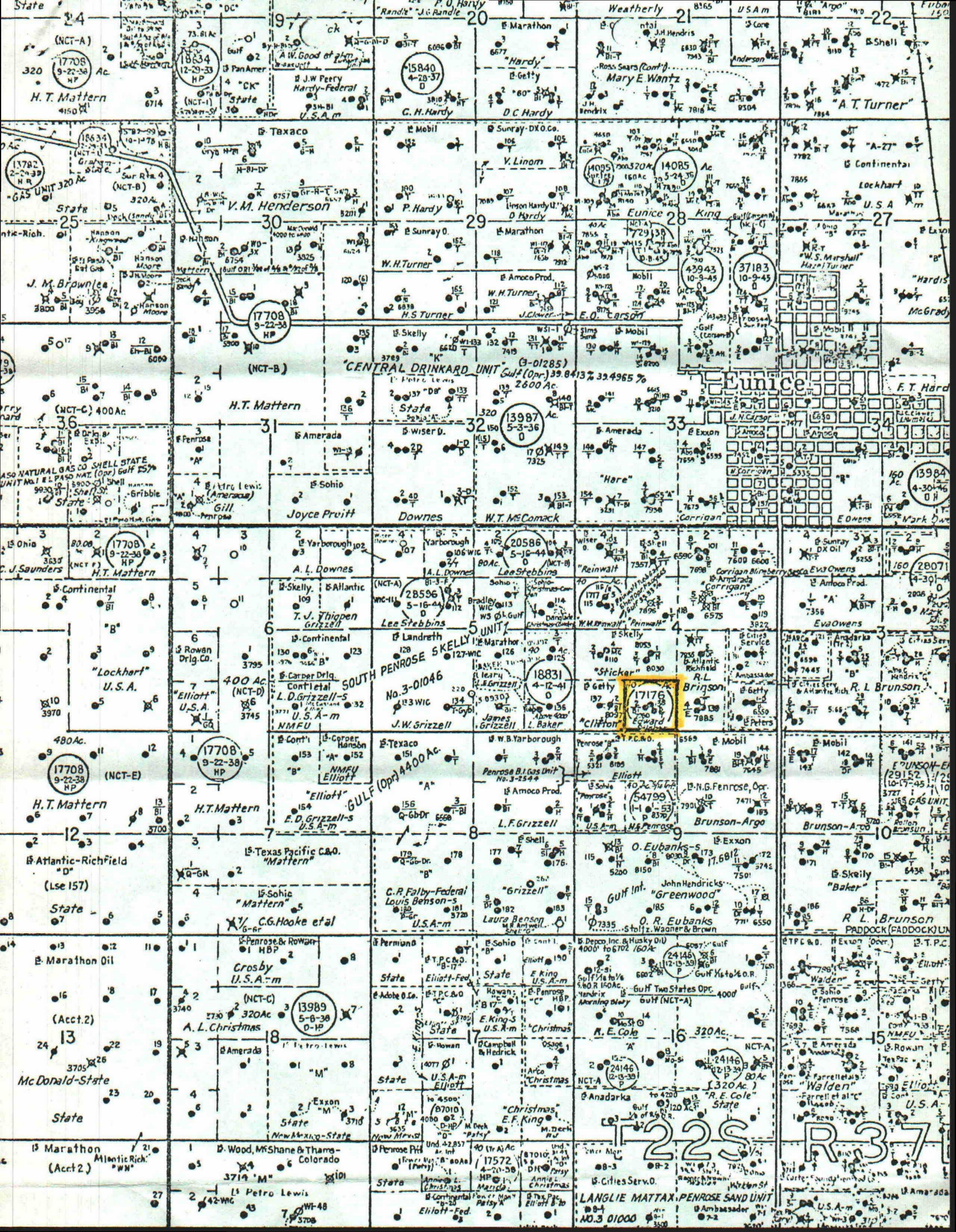


A DIVISION OF GULF OIL CORPORATION

E. A. Sticher Lease, Tank Battery
Section 4-T22S-R37E
Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>May 1980</u>	<u>June 1980</u>		
E. A. Sticher #2 Blinebry Pool	-	-	-	20
E. A. Sticher #3 Paddock Pool	152	151	303	5

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Blinebry	20	38.6	\$34.96	\$699.20
Paddock	<u>5</u>	<u>36.2</u>	<u>34.92</u>	<u>174.60</u>
Total	25			\$873.80
Commingled	25	38.12	\$34.96	\$874.00
Difference				(+.20)



GULF OIL CORPORATION
 Proposed Commingled Tank Battery - E. A. Sticher Lease
 Drinkard and Paddock Pools

