

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

March 5, 1982

P. O. Box 670
Hobbs, NM 88240

Re: R. E. Cole (NCT-A) Tank Battery #1
Section 16-T22S-R37E, Lea County,
New Mexico; Proposed Surface Commingling
of Production from the Brunson Ellenburger
Pool with the Blinebry, Drinkard, and
Penrose Skelly Pools

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

Dear Sir:

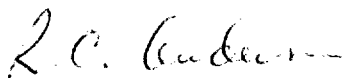
In order to avoid the expense of maintaining two tank batteries for the subject lease, Gulf hereby seeks an exception to Rule 303A. This will allow Gulf to commingle production for the Brunson Ellenburger, Blinebry, Drinkard and Penrose Skelly Pools. All wells will be tested periodically for allocation of production.

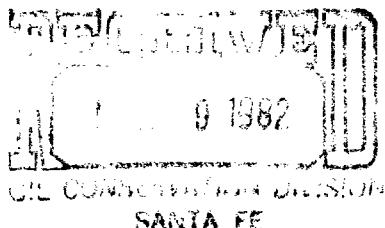
The attached tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production. The tabulation also shows total average daily production for a 2 month period, and the results of recent production is equivalent to the total revenue from the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Shell Oil Company 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

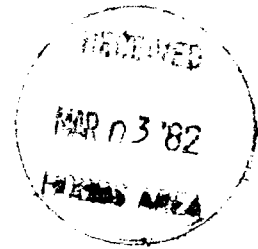
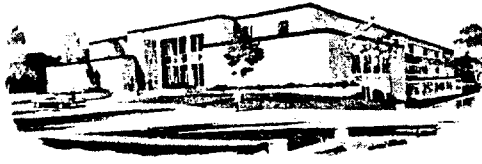


RDP/skj
Att'd

cc: C. F. Kalteyer-Midland



State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

March 2, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Gulf Oil Exploration & Production Co.
P. O. Box 670
Hobbs, New Mexico 88240

R. E. Col (11ct A) Line
Re: Commingling of Production
Section 16-T22S-R37E
Lease No. B-3480-1
Lea County, New Mexico

ATTENTION: Mr. R. C. Anderson

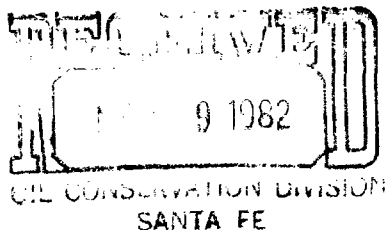
Gentlemen:

Reference is made to your application dated February 23, 1982, requesting approval to commingle production from the Brunson Ellenburger Pool with the Blinbry, Drinkard, and Penrose Skelly Pools. The various wells being located in Section 16-T22S-R37E, Lea County, New Mexico.

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 Division.

Your filing fee in the amount of Ten (\$10.00) Dollars has been received.

Very truly yours,



ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
OGAC-Santa Fe, New Mexico
Lease No. B-3480-1

GULF OIL CORPORATION

R. E. COLE (NCT-A) LEASE, TANK BATTERY NO. 1
Section 16-T22S-R37E
Lea County, New Mexico

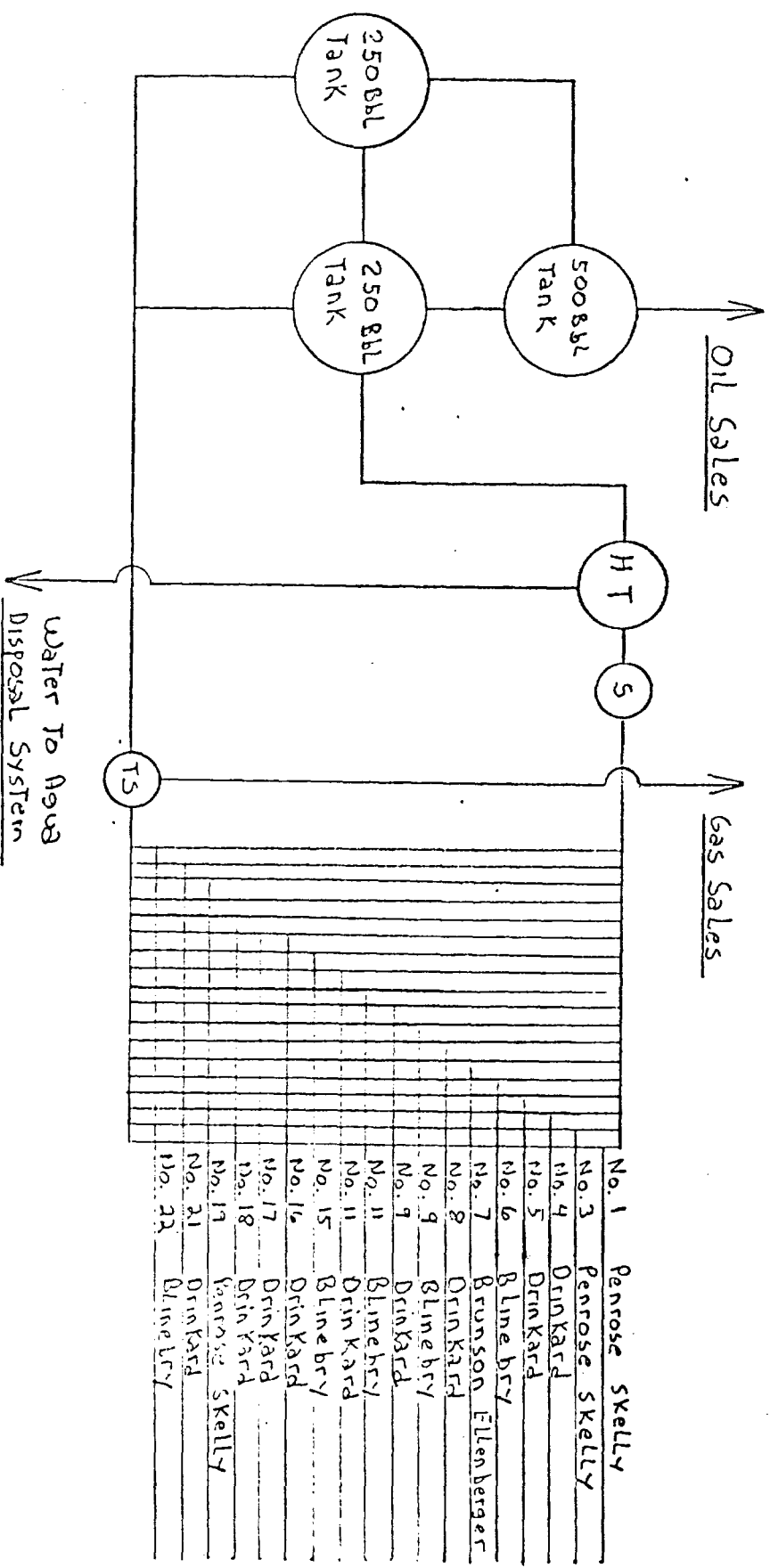
FEB 26 3 50 PM '82
STATE OF NEW MEXICO
S14747

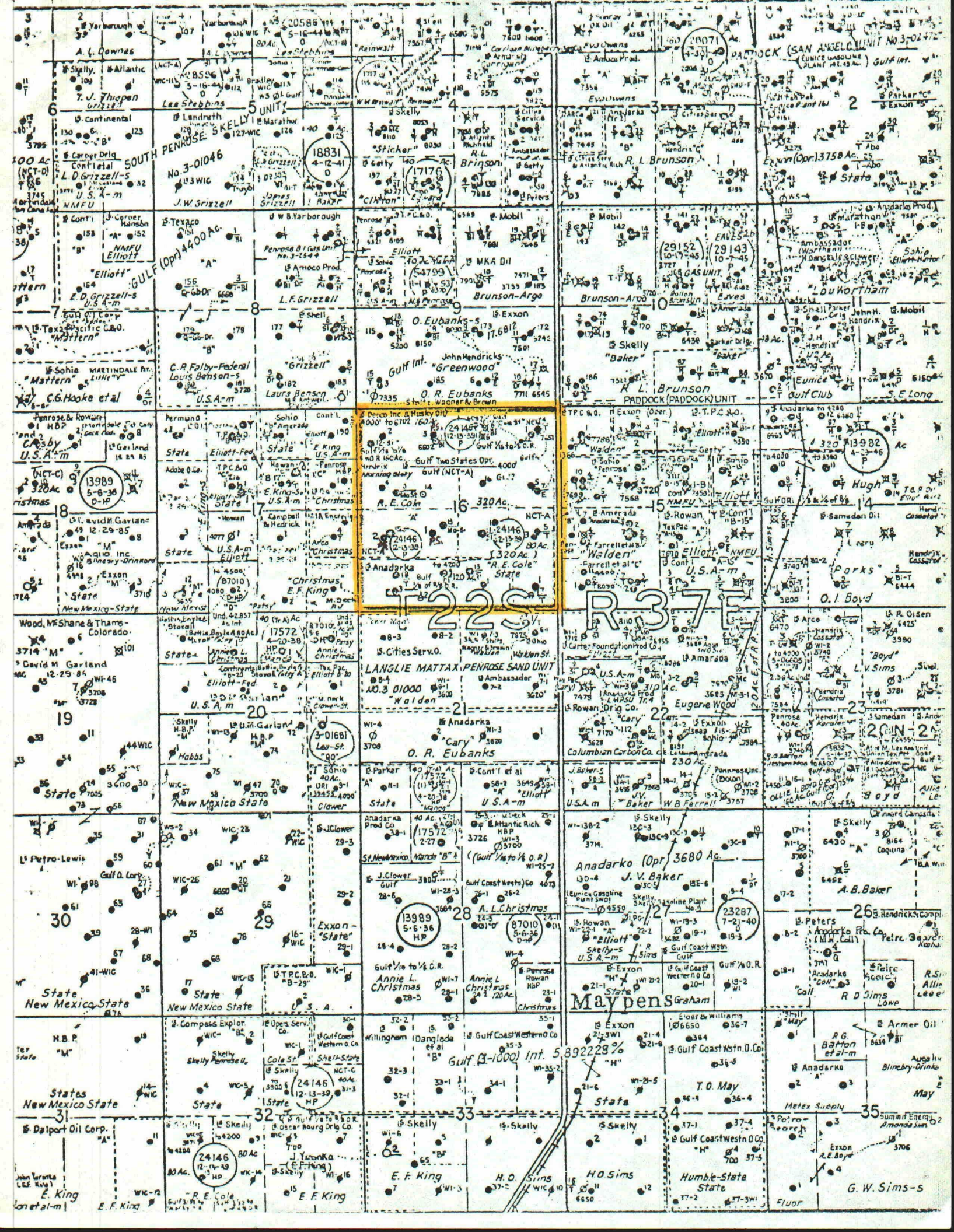
<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Nov 81</u>	<u>Dec 81</u>		
R. E. Cole (NCT-A) #1, 3 & 19 Penrose Skelly Pool	191	208	399	6.4
R. E. Cole (NCT-) #4, 5, 8, 9, 11, 16, 17, 18 & 21 Drinkard Pool	906	861	1767	28.5
R. E. Cole (NCT-A) #6, 9, 11, 15 & 22 Blinebry Oil & Gas Pool	861	1100	1961	31.6
R. E. Cole (NCT-A) #7 Brunson Ellenburger	532	428	960	15.5

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Penrose Skelly	6.4	35.3	\$34.88	\$ 223.23
Drinkard	28.5	36.6	34.91	994.93
Blinebry	31.6	34.5	34.87	1101.89
Brunson Ellenburger	<u>15.5</u>	<u>34.3</u>	<u>34.87</u>	<u>540.48</u>
TOTAL	82.0			\$2860.53
Commingled	82.0	35.2	34.88	\$2860.65

Difference Per Day +0.12

Gulf Oil Corporation
Proposed Commingled Tank Battery
 R.E. Cole (NCT-A) lease, Tank Battery No. 1
 Section 16 - Tass - R37E, Lea County, New Mexico





Shell Oil Company



February 16, 1982

RECEIVED

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

FEB 17 1982

STANDARD

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

Gentlemen:

GULF OIL CORPORATION
R. E. COLE NCT-A LSE.
BLINEBRY, DRINKARD, PENROSE SKELLY,
EUMONT & BRUNSON FIELD
LEA COUNTY, NEW MEXICO
SHELL I.D. #X83600C00

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

As discussed, we will continue to purchase the commingled production from the Blinebry, Drinkard, Penrose Skelly, Eumont and Brunson formations, connected by Shell Pipe Line's sour system.

Yours very truly,

A handwritten signature in black ink, appearing to read "D. D. Lee", written over a horizontal line.

D. D. Lee, Manager
Lease Operations
Midland Office

DDL:ec

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