

NEW MEXICO OIL CONSERVATION COMMISSION  
PCST OFFICE BOX 2088  
SANTA FE, NEW MEXICO 87501

AMENDMENT  
COMMINGLING ORDER PLC-3

Company Gulf Oil Company - U.S.  
Address P. O. Box 670  
City, State, Zip Hobbs, New Mexico 88240

Attention: C. D. Borland

The above-named company is hereby authorized to commingle  
Drinkard, Paddock, and Penrose Skelly

pool production from the following leases:

Lease Name: Graham State (NCT-I)

Description: W/2 SW/4, Sec. 19, T-21-S, R-37-E

Lease Name: W. A. Ramsay (NCT-B)

Description: NW/4, S/2 NE/4, and NE/4 NE/4, Sec. 25, T-21-S, R-36-E

Lease Name: Graham State (NCT-J)

Description: NW/4 NE/4, Sec. 25, T-21-S, R-36-E

Production shall be allocated to each lease by

separately metering the production from each lease prior to  
commingling

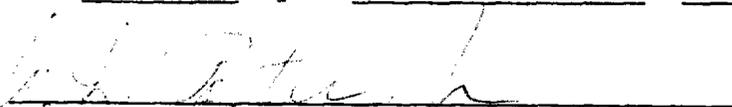
separately metering the production from the  
and determining the  
production by the subtraction method

well tests (if this method or the subtraction method above is  
to be authorized, all commingled production must be of identical  
ownership: working interest, royalty interest, and overriding  
royalty interest)

Note: This installation shall be installed and operated in accordance  
with the applicable provisions of Rule 309-B of the Commission  
Rules and Regulations and the Commission "Manual for the Installation and  
Operation of Commingling Facilities." It is the responsibility of the  
producer to notify the transporter of this commingling authority.

REMARKS: Administrative Order PLC-3, amended to delete metering require-  
ment inasmuch as all production now marginal; ownership of all  
leases identical throughout.

DONE at Santa Fe, New Mexico, on this 3rd day of December 1971.

  
A. L. PORTER, Jr., Secretary-Director

# Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland  
AREA PRODUCTION MANAGER

September 30, 1971

RECEIVED Box 670  
Hobbs, New Mexico 88240

OCT - 1 1971

OIL CONSERVATION COMM.  
SANTA FE

Mr. A. L. Porter  
N. M. Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, N. M. 87501

Dear Mr. Porter:

Administrative Order PLC-3, as amended, approved commingling Drinkard, Paddock and Penrose Skelly production from our Graham State (NCT-I) lease comprising the W/2 SW/4 of Section 19, T21S, R37E, our W. A. Ramsay (NCT-B) lease comprising the NW/4, S/2 NE/4 and NE/4 NE/4 of Section 25, T21S, R36E, and our Graham State (NCT-J) lease comprising the NW/4 NE/4 of Section 25, T21S, R36E, after separately metering the production from the Drinkard and Paddock Pools and determining the production from the Penrose Skelly zone by the subtraction method. All leases are common working interest, and the royalty is dedicated to the common schools.

Since all zones are now of a marginal nature, permission is hereby requested to discontinue the periodic testing of metering vessels and to determine the production from each well and pool by periodic well test. The metering vessels will remain in service.

Thank you for your consideration in this matter. If additional information is needed, please advise.

Yours very truly,

  
C. D. BORLAND

CFK:ec

