

Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland
AREA PRODUCTION MANAGER

April 21, 1971

P. O. Box 670
Hobbs, New Mexico 88240

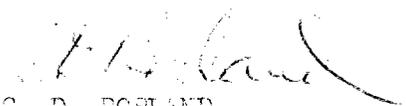
Mr. A. L. Porter, Jr.
Secretary-Director
N. M. Oil Conservation Commission
P. O. Box 2058
Santa Fe, N. M. 87501

Re: Administrative Order PLC-3
Commingling Production
Graham State (NCT-I),
Graham State (NCT-J), and
W. A. Ramsay (NCT-B) leases

Dear Sir:

In response to your letter of inquiry dated April 13, 1971, the meters to determine production from each of the three separate leases will remain in service. Our request is to eliminate the requirement of monthly proving of our metering vessels.

Yours truly,


C. D. BORLAND
Area Production Manager

CFK:ec



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 11, 1969

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

Attention: Mr. C. D. Borland

AMENDMENT

Administrative Order PLC-3

Gentlemen:

Reference is made to your application dated March 3, 1969, as amended March 24, 1969, for the amendment of Administrative Order PLC-3 which authorizes the commingling of Blinebry, Drinkard, and Paddock production from your Graham State (NCT-I) Lease and from your W. A. Ramsay (NCT-B) Lease. It is our understanding that you are no longer commingling Blinebry production from either of the aforesaid leases but that you now have Penrose Skelly production on your Graham State (NCT-J) Lease which comprises the NW/4 NE/4 of Section 25, Township 21 South, Range 36 East, and you wish to commingle this production with the aforesaid Drinkard and Paddock production from the first two mentioned leases.

Administrative Order PLC-3 is hereby amended to authorize the commingling of Drinkard, Paddock, and Penrose Skelly production from your Graham State (NCT-I) Lease comprising the W/2 SW/4 of Section 19, Township 21 South, Range 37 East and your W. A. Ramsay (NCT-B) Lease comprising the NW/4, S/2 NE/4, and NE/4 NE/4 of Section 25, Township 21 South, Range 36 East, and your Graham State (NCT-J) Lease comprising the NW/4 NE/4 of Section 25, Township 21 South, Range 36 East, after separately metering the production from the Drinkard and Paddock Pools and determining the

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

April 11, 1969

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

AMENDMENT

Administrative Order PLC-3

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Penrose Skelly production by means of the subtraction method. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are further requested to notify the Hobbs District Office of the Commission at such time as this installation is complete in order that an inspection may be made thereof.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

March 4, 1969

Subject: Gulf Oil Corporation
Graham State NCT-J Lease
NW/4 NE/4 Section 25
T-21-S, R-36-E
Penrose Skelly Field
Lea County, New Mexico

Gulf Oil Corporation
Post Office Box 670
Hobbs, New Mexico 88240

Attention Mr. C. D. Borland

Gentlemen:

Please refer to our letter of January 13, 1969, wherein Shell, as Purchaser, agreed to purchase the commingled oil from your Graham State NCT-I, Graham State NCT-J, and W. A. Ramsey NCT-B leases in the Blinebry, Drinkard, and Paddock fields.

It is our understanding that your Graham State NCT-J No. 1 well has been reclassified from the Paddock field to the Penrose Skelly. Shell will be agreeable to purchasing the commingled oil from the Drinkard, Paddock, Blinebry, and Penrose Skelly fields from the leases mentioned above.

Yours very truly,

J. C. Hart
Raw Materials Supply
Midland Division Services

TEM:ERL

cc - Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701
Attention Mr. D. L. Williams



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

March 4, 1969

Subject: Gulf Oil Corporation
Graham State NCT-J Lease
NW/4 NE/4 Section 25
T-21-S, R-36-E
Penrose Skelly Field
Lea County, New Mexico

Gulf Oil Corporation
Post Office Box 670
Hobbs, New Mexico 88240

Attention Mr. C. D. Borland

Gentlemen:

Please refer to our letter of January 13, 1969, wherein Shell, as Purchaser, agreed to purchase the commingled oil from your Graham State NCT-I, Graham State NCT-J, and W. A. Ramsey NCT-B leases in the Blinebry, Drinkard, and Paddock fields.

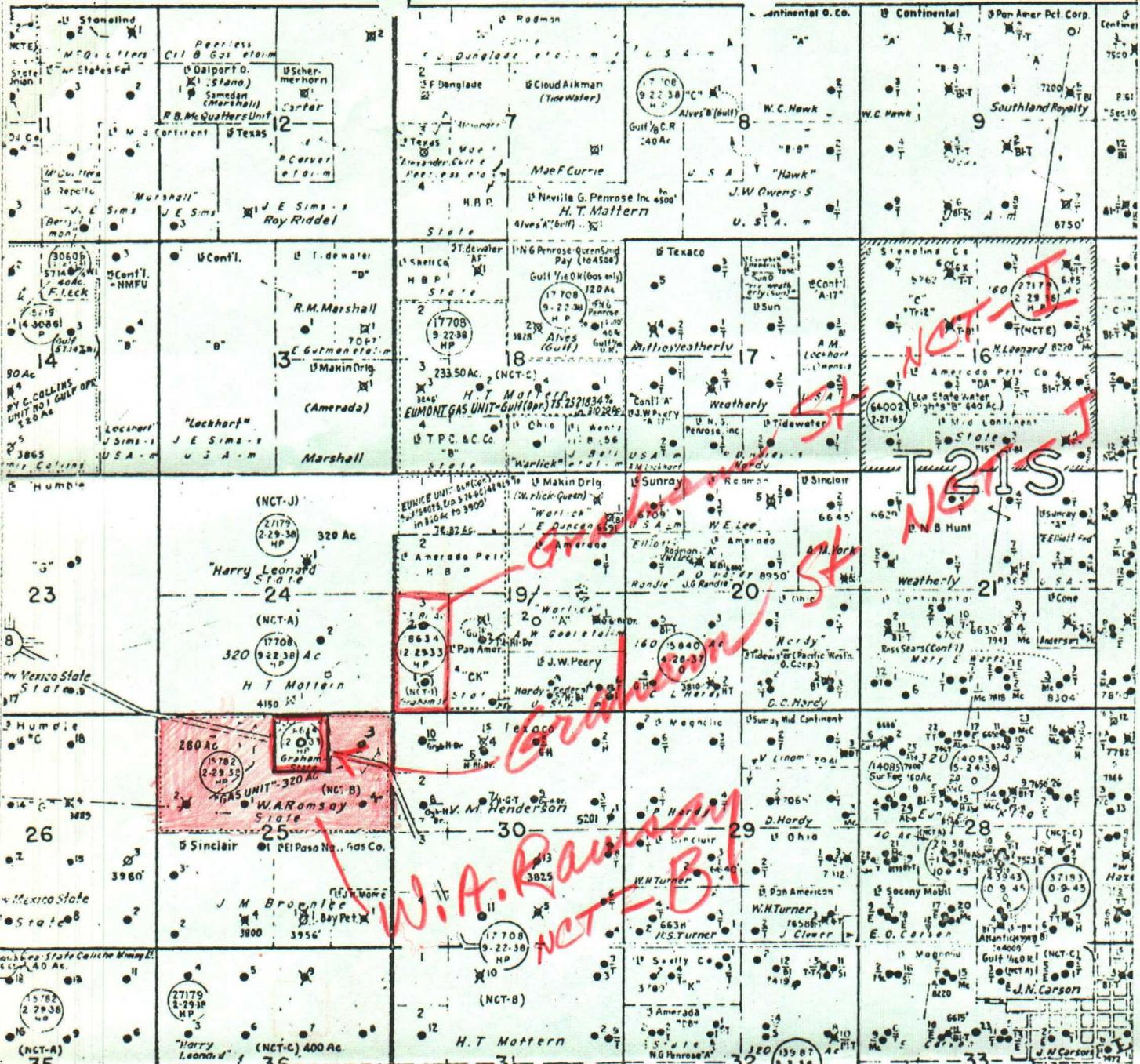
It is our understanding that your Graham State NCT-J No. 1 well has been reclassified from the Paddock field to the Penrose Skelly. Shell will be agreeable to purchasing the commingled oil from the Drinkard, Paddock, Blinebry, and Penrose Skelly fields from the leases mentioned above.

Yours very truly,

J. C. Hart
Raw Materials Supply
Midland Division Services

TEM:ERL

cc - Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701
Attention Mr. D. L. Williams



PLAT

J
GRAHAM STATE (NCT-I) LEASE

LEA COUNTY, NEW MEXICO

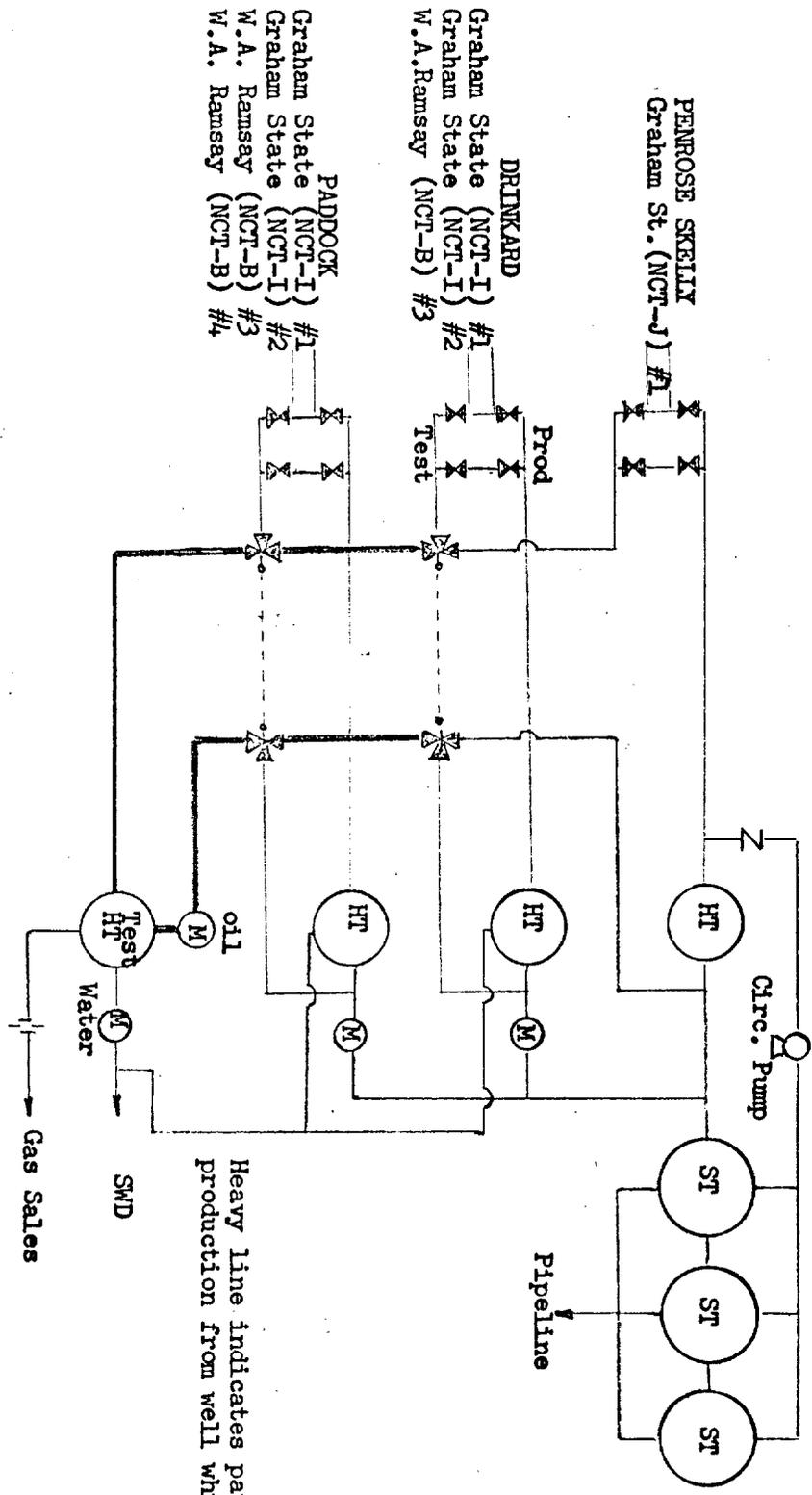
- LEGEND -

Pertinent Lease.

GULF OIL CORPORATION

Completions

- Graham State (NCT-I) #1, Dual Paddock/Drinkard (Blinebry zone abandoned)
- #2, Dual Drinkard/Paddock
- W.A.Ramsay (NCT-B) #1, Arrowhead
- #2, Eumont Gas
- #3, Dual Drinkard/Paddock
- #4, Paddock
- Graham State (NCT-J) #1, Penrose Skelly



Heavy line indicates path followed by production from well while on test

PROPOSED COMMINGLING INSTALLATION - GULF'S GRAHAM STATE (NCT-1) LEASE

GULF OIL CORPORATION
P. O. BOX 670
Hobbs, New Mexico 88240

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March 24, 1969

Re: Commingling Gulf's W. A. Ramsay
(NCT-B) Lease, Penrose Skelly
Pool, Lea County, New Mexico

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Nutter

Dear Sir:

Our letter of March 3, 1969 requested approval to commingle Paddock and Drinkard production from our W. A. Ramsay (NCT-B) Lease and our Graham State (NCT-I) Lease with newly developed Penrose Skelly production from our Graham State (NCT-J) Lease. Approval was received from the Commissioner of Public Lands which apparently did not reach your office. A copy is attached for your files.

We have just recompleted our W. A. Ramsay (NCT-B) No. 4, abandoning the Paddock and opening the Penrose Skelly for production. On flowing test ending 7:00 a.m., March 24, 1969, it produced 72 bo and 21 bw in 17 hours on a 25/64" choke. We would like to amend our proposal of March 3, 1969 to include producing this well into the commingled Drinkard, Paddock and Penrose Skelly battery. This is in agreement with your telephone conversation with our Mr. L. W. Dickerson.

Your early approval is respectfully requested.

Yours very truly,


C. D. BORLAND
Area Production Manager

RCS:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
M. I. Taylor, Roswell, N.M.
D. L. Williams, Midland, Texas

Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland
AREA PRODUCTION MANAGER

March 3, 1969

P. O. Box 670
Hobbs, New Mexico 88240

Re: Commingling Application
Graham State (NCT-J) Lease
NW NE Section 25-21S-36E,
Lea County, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Dear Sir:

We have completed our Graham State (NCT-J) No. 1, located 660' FNL 1650' FEL of Section 25-21S-36E, Lea County, New Mexico, in the Penrose Skelly Pool. Earlier we requested approval to commingle Paddock production from this well and received approval in your letter of January 23, 1969. The Paddock proved non-productive and we now request your approval to commingle the new Penrose Skelly production with Drinkard and Paddock production from the Graham State (NCT-I) Lease, W/2 SW/4 Section 19-21S-37E, and from the W. A. Ramsay (NCT-B) Lease, NW/4, S/2 NE/4 and NE/4 NE/4 Section 25-21S-36E. Commingling the latter two leases was approved by the Oil Conservation Commission Administrative Order PLC-3 and Administrative Order PC-99. All leases involved are common working interest and the royalty is dedicated to the Common Schools.

Attached you will find the following:

1. A plat showing location of leases and wells.
2. An economic analysis of the proposed operation.
3. A schematic diagram of the system.
4. Our check for \$10.00 to cover the application fee.

The effect to State income is negligible and the proposed facility is in accordance with Oil Conservation Commission rules and regulations.

Please furnish this office with a letter of approval with a copy to the Oil Conservation Commission, P. O. Box 2088, Santa Fe, New Mexico, attention Mr. A. L. Porter, Jr.

Yours very truly,

C. D. BORLAND
Area Production Manager

RCS:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M. & Santa Fe, N.M. ✓
M. I. Taylor, Roswell, N.M.
D. L. Williams, Midland, Texas



Name	Init.
Prod Mgr	<i>OTB</i>
Asst. Engr	<i>Jan</i>
Port. Engr	<i>AB</i>
Drig Pmn	
Geologist	
Clk	



State of New Mexico



Commissioner of Public Lands

March 12, 1969



P. O. BOX 1148
SANTA FE, NEW MEXICO

ALEX J. ARMIJO
COMMISSIONER

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

Re: Commingling Application
Graham State (NCT-J) Lease
NW NE Section 25-21S-36E,
Lea County, New Mexico
State Lease Nos. A-1543, B-1511, B-1732

Attn: Mr. C. D. Borland

Gentlemen:

The State Land Office hereby grants your proposed addition to your PC-99 and PLC-3 since you show that there will be a monetary gain for the State through such an installation. Also, this is subject to approval by the New Mexico Oil Conservation Commission.

This approval is given with the understanding that the Commissioner can withdraw his approval at any time that the operation does not seem feasible to the State of New Mexico.

Thank you for the \$10.00 filing fee.

Yours very truly,

ALEX J. ARMIJO
Commissioner of Public Lands

By: *Ted Bilberry*
TED BILBERRY, Director
Oil and Gas Department

AJA:TB:RM:cw

cc: Oil Conservation Commission
Oil and Gas Accounting Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 17, 1969

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

Attention: Mr. C. D. Borland

AMENDMENT
Administrative Order PLC-3

Gentlemen:

Reference is made to your letter dated December 27, 1968, in which you request an amendment to Administrative Order PLC-3 which authorizes the commingling of Drinkard and Paddock production on your W. A. Ramsay (NCT-B) Lease and Blinebry, Drinkard, and Paddock production on your Graham State (NCT-I) Lease after separately metering the commingled Drinkard production from both leases and the commingled Paddock production from both leases and determining the Blinebry production from the Graham State Lease by means of the subtraction method. It is our understanding that all of the Drinkard production is now of marginal nature and that you therefore wish to discontinue metering Drinkard production. Presumably, the Paddock production from both leases would continue to be metered and the combined Drinkard and Blinebry production would be determined by means of the subtraction method.

Administrative Order PLC-3 is hereby amended to delete the metering requirement for the Drinkard production provided that the commingling shall be carried out as described above.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

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Gulf Oil Corporation

HOBBS PRODUCTION AREA

December 27, 1968

AM 8 23
DEC 30 1968

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box ~~1007~~ 670
Hobbs, New Mexico

Amend PLC-3

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

Dear Sir:

Administrative Order PLC-3 approved commingling the Drinkard and Paddock production on our W. A. Ramsay (NCT-B) lease, section 25, 21-S, 36-E, and the production from the Blinebry, Drinkard and Paddock zones on the Graham State (NCT-I) lease, section 19, 21-S, 37-E, after separately metering the commingled Drinkard production from both leases and the commingled Paddock production from both leases and determining the Blinebry production from the Graham State (NCT-I) lease by means of the subtraction method. Administrative Order PC-99 previously authorized the commingling of the production on the Graham State (NCT-I) lease.

Since all Drinkard wells are now of a marginal nature, permission is hereby requested to discontinue the metering system of the Drinkard zone and determine the production by periodic well test in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities".

Tabulated below, for your information, is a 60 day production record of all Drinkard wells producing into this facility.

<u>Lease and Well No.</u>	<u>Pool</u>	<u>Barrels per Month</u>		<u>Well Avg.</u>
		<u>Oct-1968</u>	<u>Nov.</u>	<u>BFD</u>
Graham State (NCT-I) No. 1	Drinkard	766	753	24.9
Graham State (NCT-I) No. 2	Drinkard	208	210	6.9
W. A. Ramsay (NCT-B) No. 3	Drinkard	659	665	21.7

If additional information is needed, please advise.

Yours truly,

C. D. Borland
C. D. BORLAND

lwd:

Amendment of both leases identical



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 15, 1964

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

Attention: Mr. C. D. Borland

AMENDMENT
Administrative Order PLC-3

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Gentlemen:

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Reference is made to your letter of September 1, 1964, requesting an amendment to Administrative Order PLC-3 to permit the commingling of Blinebry condensate from your Graham State (NCT-I) Lease with Drinkard and Paddock production from your W. A. Ramsay (NCT-B) and Graham State (NCT-I) Leases. This amendment is occasioned by the reclassification of your Graham State Well No. 1 from Blinebry oil to Blinebry gas.

Y
Administrative Order PLC-3 is hereby amended to permit the above-described commingling. In all other respects, Administrative Order PLC-3 shall remain in full force and effect.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSM/esr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe
Oil & Gas Accounting Commission - Santa Fe

*File 116-3
file*

Gulf Oil Corporation

HOBBS PRODUCTION AREA

C. D. BORLAND
AREA PRODUCTION MANAGER

SEP 1 24 1964

P. O. Box ~~2087~~ 670
Hobbs, New Mexico

*Approved
10/15/64
State Land Commissioner
Santa Fe, N.M.*

Re: W. A. Ramsay (NCT-B) Lease
Section 25-21S-36E
Graham State (NCT-I) Lease
Section 19-21S-37E, Lea
County, New Mexico

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Sir:

Gulf is presently commingling Drinkard and Paddock oil from the W. A. Ramsay (NCT-B) Lease with Drinkard, Paddock and Blinebry oil from the Graham State (NCT-I) Lease. The tank battery for this production is located on the Graham State (NCT-I) Lease. The Graham State (NCT-I) No. 1 (Blinebry) has recently been reclassified to gas due to high gas-oil ratio and has since been shut in pending gas connection by Warren Petroleum Corporation.

Gulf hereby requests that you give us approval to continue commingling approximately one barrel per day of 38.5° API Blinebry condensate from Graham State (NCT-I) with the Drinkard and Paddock oil from the W. A. Ramsay (NCT-B) and Graham State (NCT-I) Leases. The API gravity of the Blinebry condensate is essentially the same as that of the Blinebry oil before the well was reclassified to gas.

This commingling proposal is in the interest of conservation in that it prevents unnecessary waste.

Yours very truly,



C. D. BORLAND
Area Production Manager

PMC:ptg

cc: Oil Conservation Commission, Hobbs, N.M.
Gulf Refining Company, Hobbs, N.M.
State Land Commissioner, Santa Fe, N.M.



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 9, 1963

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

Attention: Mr. C. D. Borland

Administrative Order PLC-3

Gentlemen:

Reference is made to your letter of June 24, 1963, wherein you have requested authority to commingle Blinebry, Drinkard, and Paddock production from your Graham State Lease comprising the W/2 SW/4 of Section 19, Township 21 South, Range 36 East and from your W. A. Ramsay Lease comprising the N/2 of Section 25, Township 21 South, Range 36 East, after separately metering the commingled Drinkard production from both leases and the commingled Paddock production from both leases, and determining the Blinebry production from the Graham State Lease by means of the subtraction method. Administrative Order PC-99 previously authorized the commingling of the production on the Graham State Lease.

By the authority vested in me under the provisions of Rule 303 (b) and Rule 309-B, Gulf Oil Corporation is hereby authorized to commingle the above-described production as proposed, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are further requested to notify the Hobbs District Office of the Commission at such time as this installation has been completed in order that a field inspection can be made of the installation prior to putting it in operation.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DGN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

GULF OIL CORPORATION
P. O. BOX 670
Hobbs, New Mexico

KLC

June 24, 1963

Re: W. A. Ramsay (NCT-B) Lease
Section 25-21S-36E, Lea
County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Dear Sir:

Gulf is presently in the process of drilling their W. A. Ramsay (NCT-B) No. 3, 330' F&EL Section 25-21S-36E, Lea County, New Mexico, and plans to complete as a dual oil producer from the Drinkard and Paddock Oil Pools. This will be the first production from these pools on this lease; however, an adjoining lease, our Graham State (NCT-I), W/2 SW/4 Section 19-21S-37E, Lea County, New Mexico, has two wells which produce from these same pools and are commingled in a common tank battery on that lease by administrative order No. P-99. Since the ownership of these two leases are identical, we propose to commingle production from subject well with the presently commingled production in the Graham State (NCT-I) tank battery.

Gulf hereby seeks administrative approval from the Oil Conservation Commission to commingle the Drinkard and Paddock oils from all producing wells on its W. A. Ramsay (NCT-B) Lease with the presently commingled Drinkard, Hlinebry and Paddock oil production from and on the Graham State (NCT-I) Lease. This would also include any additional wells which might be drilled on subject lease. Since both pays in Well No. 3 are expected to produce at top allowable rates, oils from the Drinkard and Paddock pools will be metered prior to being commingled in accordance with the "Manual for the Installation and Operation of Commingling Facilities". Enclosed is a schematic diagram of the proposed commingling installation, along with a copy of the lease plat.

The Commissioner of Public Lands for the State of New Mexico has been notified in writing of the proposed commingling of oils on the Graham State (NCT-I) Lease. He has been requested to furnish Gulf with a letter of approval and also furnish your office with a copy in order that the Oil Conservation Commission can act on Gulf's application.

The following tabulations include the volumes, gravities and monetary values of the individual and commingled liquid hydrocarbons:

ANTICIPATED PRODUCTION FROM W. A. RAMSAY (NCT-B) NO. 3

<u>Pool</u>	<u>B/D</u>	<u>Corr. Gvty</u>	<u>Value/Bbl.</u>	<u>B/D x \$/Bbl.</u>
Drinkard	66	38.4	\$2.97	\$196.02
Paddock	50	37.9	\$2.95	\$147.50
				<u>\$343.52</u>
Commingled	116	38.2	\$2.97	\$344.52

PRESENT PRODUCTION (MAY, 1963) FROM GRAHAM STATE (NCT-I) LEASE

<u>Pool</u>	<u>B/D</u>	<u>Corr. Gvty</u>	<u>Value/Bbl.</u>	<u>B/D x \$/Bbl.</u>
Drinkard	78	38.4	\$2.97	\$231.66
Paddock	92	37.9	\$2.95	\$271.40
Hlinebry	25	41.7	\$3.01	<u>\$ 75.25</u>
				\$578.31
Commingled	195	38.6	\$2.97	\$579.15

ANTICIPATED PRODUCTION FROM W.A. RAMSAY (NCT-B) & GRAHAM STATE (NCT-I) LEASES

Drinkard	144	38.4	\$2.97	\$427.68
Paddock	142	37.9	\$2.95	\$418.90
Hlinebry	25	41.7	\$3.01	<u>\$ 75.25</u>
				\$921.83
Commingled	311	38.6	\$2.97	\$923.67

Commingling of the oils would thus increase the monetary value of the liquid hydrocarbons from these three pools and two leases by \$1.84 per day.

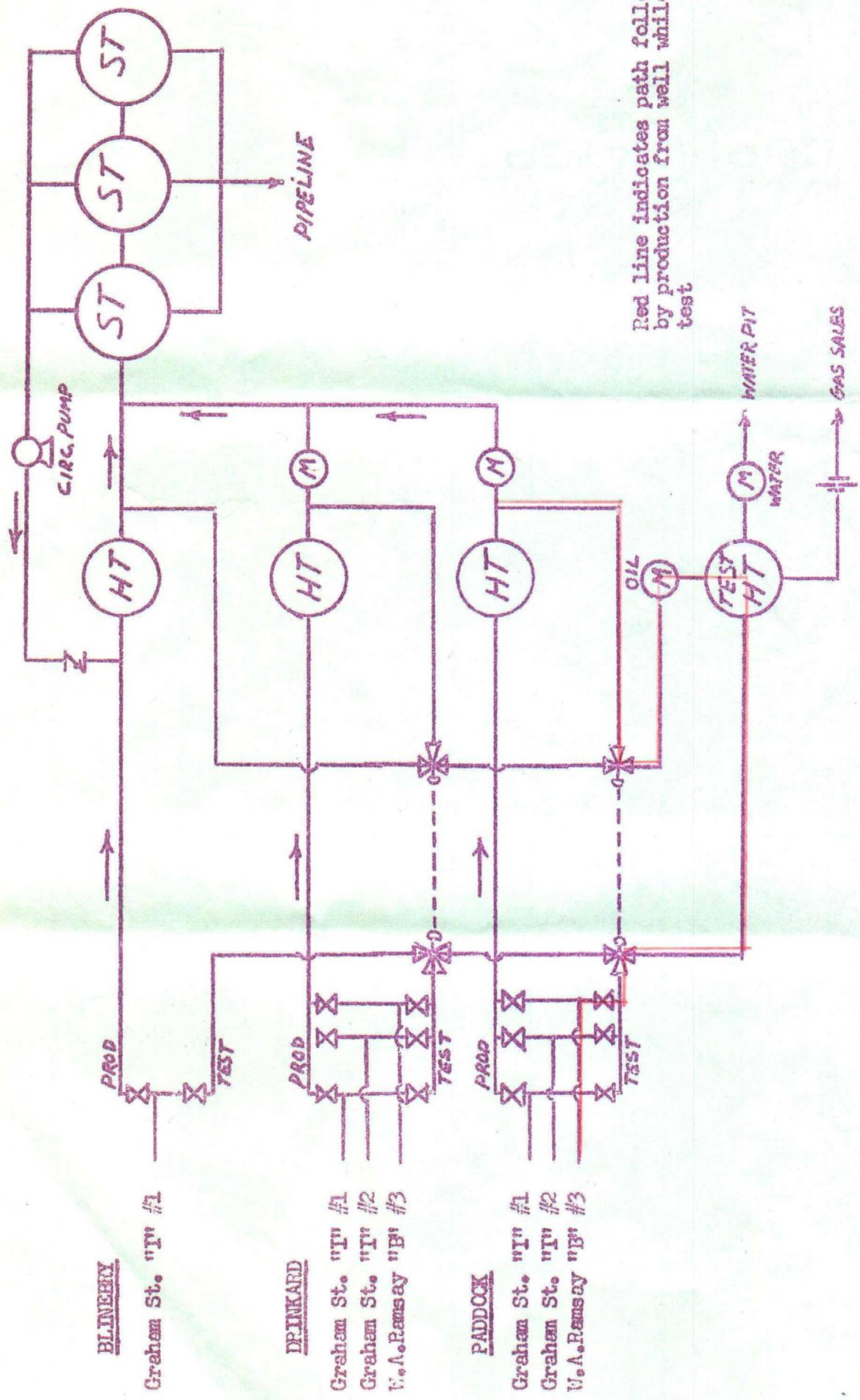
This commingling proposal is in the interest of conservation in that it prevents unnecessary waste.

Yours very truly,


C. D. BORLAND
Area Production Manager

LCS:ptg

cc: Oil Conservation Commission, Hobbs, N.M. (1)
Gulf Refining Co., Midland, Texas (1)
State Land Commissioner (3)



Red line indicates path followed by production from well while on test

PROPOSED COMINGLING INSTALLATION
 GULF'S GRAHAM STATE (NCT-I) & W.A. RAMSAY (NCT-B) LEASES

June 28, 1963

Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

Re: Request to commingle production from W. A. Ramsay (NCT-B) Lease, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 25, Twp. 21S, Rge. 36E, with Graham State (NCT-1) W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 19, Twp. 21S, Rge. 37E, Lea County, New Mexico.

Gentlemen:

We have no objection to the above request even though there are two leases involved. Gulf Oil Corporation does own both leases, and they are both on Common School lands. We would like to have a quarterly report on the two different leases so that we will know what each lease is producing.

Thank you very much for the schematic diagram and plat with all pertinent information.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By:

ROMULO MARTINEZ
Oil and Gas Department

EW/RM/pr

cc: Oil Conservation Commission
Oil and Gas Accounting Commission

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