

Gulf Oil Exploration and Production Company

C. D. Borland
PRODUCTION MANAGER, HOBBS AREA

July 31, 1978

P. O. Box 670
Hobbs, NM 88240

Re: H. T. Mattern (NCT-D) and (NCT-F)
Leases, Section 6-22S-37E, and
Section 1-22S-36E, Lea County,
New Mexico

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Dear Mr. Ramey:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject leases, Gulf hereby seeks an amendment to Administrative Order CTB-254. This amendment will allow Gulf to surface commingle newly developed Tubb oil from H. T. Mattern (NCT-D) No. 11 with commingled Drinkard and Blinebry Oil from H. T. Mattern (NCT-F) Wells No. 3 and 4, and H. T. Mattern (NCT-D) Wells No. 8, 9, 10 and 12, as authorized by the above order. None of the wells producing from the above pools are capable of producing top allowable and will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities, and monetary values of the liquid hydrocarbons from separated as well as commingled production. The tabulation also shows total average daily production for a 60-day period and the results of recent production tests for the new completion.

The calculated revenue from the commingled production is approximately 40 cents per day less 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. Texas-New Mexico Pipeline Company has agreed to purchase the commingled oil as proposed herein.

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

Yours very truly,


C. D. BORLAND

Attachments
GWH/dch

cc: Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240



A DIVISION OF GULF OIL CORPORATION

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H. T. MATTERN (NCT-D) & (NCT-F) LEASES Section 6-22S-37E & Section 1-22S-36E Lea County, New Mexico

<u>Wells and Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>May, 1978</u>	<u>June, 1978</u>		
H. T. Mattern (NCT-F) No. 3, 4 and H. T. Mattern (NCT-D) No. 8, 9, 10, & 12, Drinkard	2,267	2,249	4,516	74.5
H.T. Mattern (NCT-F) No. 4 and H.T. Mattern (NCT-D) No. 8, Blinebry	493	623	1,116	18.9
H. T. Mattern (NCT-D) No. 11, Tubb*				<u>66.0</u>
				159.4

*Test Production

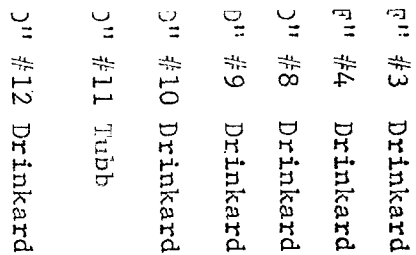
<u>Pool</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Bbl.</u>	<u>\$/Day</u>
Drinkard	74.5	37.7	\$12.74	\$ 949.13
Blinebry	18.9	37.8	\$12.72	\$ 240.41
Tubb	<u>66.0</u>	35.2	\$12.80	<u>\$ 844.80</u>
Total	159.4			\$2,034.34
Commingled	159.4	36.7	\$12.76	\$2,033.94
			Difference	(-\$ 0.40)

GWH:dch
7-31-78



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Schematic Diagram
Proposed Commingled Installation
H. T. Matern (NCT-D & F) Tank Battery



* Commingled down-hole by Order No. R-5114

