

Gulf Oil Corporation

KERMIT PRODUCTION AREA

H. F. Swannack
AREA PRODUCTION MANAGER

P. O. Box 980
Kermit, Texas 79745

December 13, 1966

State of New Mexico (3)
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Request for Exception to Rule 303 to Permit
Commingling of Production between the
Blinebry, Fusselman and Tubb-Drinkard Pays
Justis Field, Arnott Ramsay NCT-F Lease
N/2, Section 36-25S-37E, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation requests amendment to Administrative Order PC-9 for exception to Oil Conservation Commission's Rule 303 to permit commingling of Blinebry, Fusselman and Tubb-Drinkard production in the Justis Field, Arnott Ramsay NCT-F Lease, N/2, Section 36-25S-37E, Lea County, New Mexico.

The Oil Commission's Administrative Order PC-9 dated May 23, 1960, authorized the commingling of oil production from the Justis Blinebry, Justis Tubb and Justis Drinkard wells on the Arnott Ramsay NCT-F Lease after separately metering production from each pool. Further, an amendment to Administrative Order PC-9 dated April 1, 1966, authorized the commingling of Fusselman and Tubb-Drinkard production from this lease after separately measuring. During this commingling, the Blinebry and Langlie-Mattix production were handled separately. It is now proposed to commingle production from the Blinebry, Fusselman and Tubb-Drinkard pools after each is separately measured. This production will be classified as intermediate grade crude and will be sold through the existing automatic custody transfer unit which previously served the Blinebry production only. This LACT unit was approved by the Oil Commission Permit I-44 dated May 23, 1962.

The commercial value of the commingled production as shown by Table I from the Blinebry, Fusselman and Tubb-Drinkard pools will be equal to or greater than the sum of the value from each common source of supply.

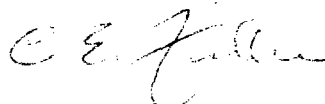


December 13, 1966

Figure I, a schematic diagram of the Arnott Ramsay NCT-F battery shows that all production from each pool will be separately measured. The proposed commingled oil will be produced into a 500 barrel run tank which is tied to the existing LACT unit. A plat, Figure II, shows the location of all wells on this lease with a corresponding letter designation of the pool from which each well is producing. A letter from Texas-New Mexico Pipeline Company is attached stating that they will run the commingled production from this lease and they concur with the commingling of these three pays.

Gulf Oil Corporation respectfully requests your approval for the commingling of production from these pools.

Yours very truly,



C. E. Fidler
Area Engineer

RAD:jm

Attachments

Tabulation - Commingled Production
Schematic Diagram
Plat - Arnott Ramsay NCT-F Lease
Letter - Texas-New Mexico Pipeline Company

cc: Oil Conservation Commission
Hobbs, New Mexico

Texas-New Mexico Pipeline Company
P. O. Box 1510
Midland, Texas

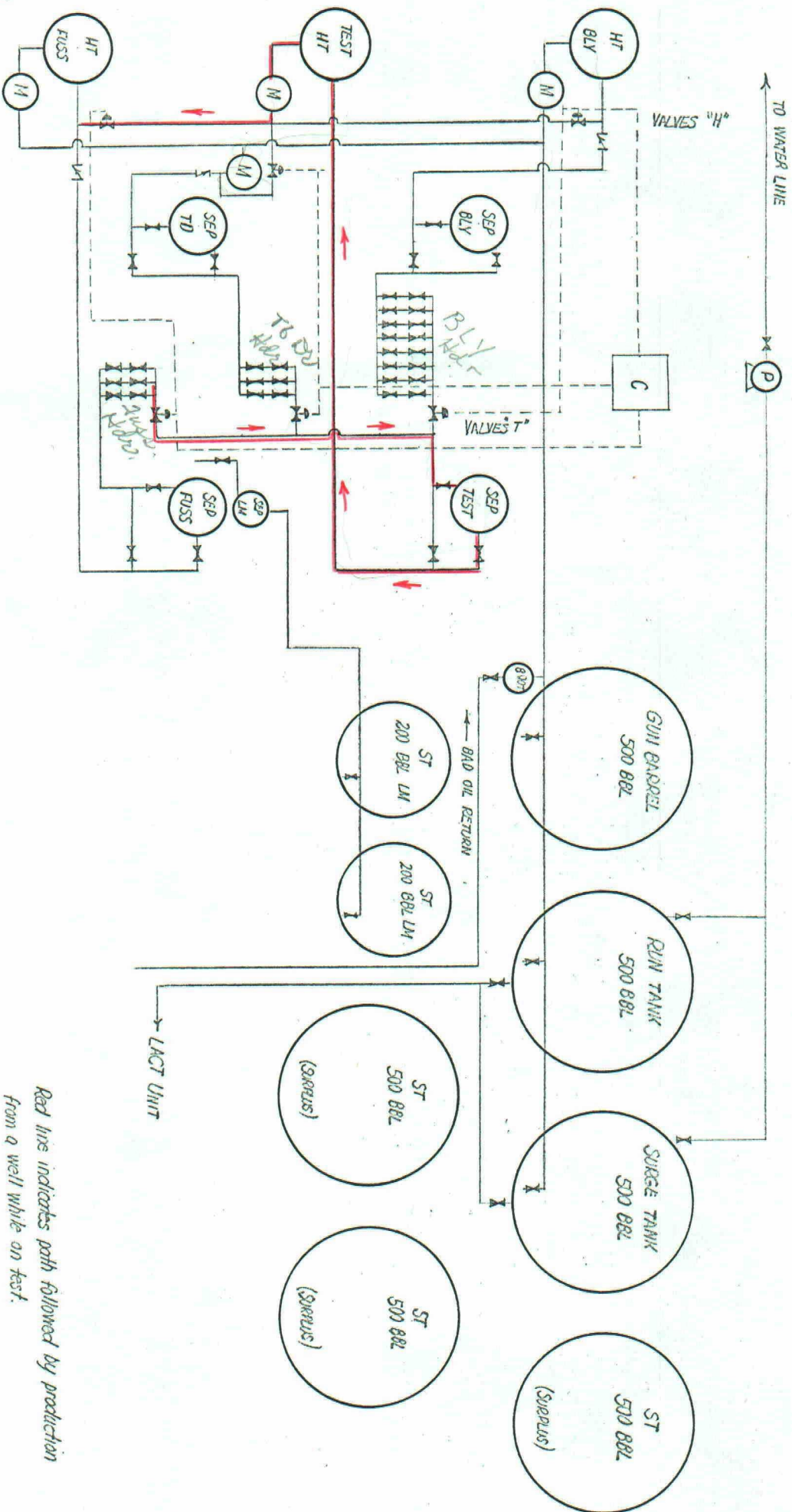
GULF OIL CORPORATION
ARNOTT RAMSAY NCT-F LEASE
N/2 SECTION 36 - 25S - 37E

<u>Pool</u>	<u>Number of Wells</u>	<u>November 1966 Prod.</u>	<u>API Gravity</u>	<u>Specific Gravity</u>	<u>Specific Gravity Times Production</u>	<u>Oil Value</u>	<u>Gross Revenue</u>
Blinebry	8	8,202	37.1	0.839264	6883.64	*\$2.89	\$ 23,703.78
Husselman	3	8,978	37.6	0.836782	7512.63	\$2.95	\$ 26,485.10
Tubb-Drinkard	<u>3</u>	<u>128</u>	37.0	0.839762	107.49	\$2.95	\$ <u>377.60</u>
	14	17,308					\$ 50,566.48
Commingled		17,308	37.4	0.837980	14,503.76	\$2.95	\$ 51,058.60

Estimated increase in revenue per month \$492.12

*Currently being sold as sour crude.

FIGURE 1
SCHEMATIC DIAGRAM
GULF ~ ARNOTT RAMSAY MCT-F BATTERY



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

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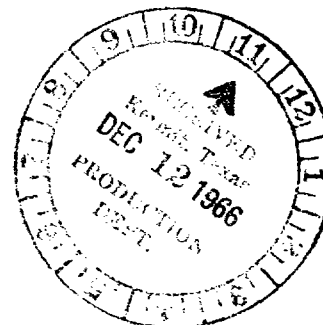
TEXAS-NEW MEXICO PIPE LINE COMPANY

CRUDE OIL DEPT.

P. A. LYONS
DIVISION MANAGER

December 8, 1966

P. O. BOX 1510
MIDLAND, TEXAS 79701



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

Attention: Mr. D. L. Williams

Gentlemen:

We understand that you desire to commingle production from the Justis Fusselman, Justis Tubb Drinkard and Justis Blinbry Pools on your Arnott Ramsey NCT-F Lease, N/2 of Section 36-25S-37E, Lea County, New Mexico, utilizing existing lease Automatic Custody Transfer facilities for the running of the commingled production.

Texas-New Mexico Pipe Line Company will run the oil from the commingled battery providing: 1) the New Mexico Oil Conservation Commission issues an Administrative Order authorizing the commingling, and 2) the shipper of the production which will be run from the battery will purchase the commingled production.

The shipper of the production from the Arnott Ramsey NCT-F Lease is Texaco Inc., and its representative has advised verbally that Texaco is agreeable to purchasing the commingled production, as proposed.

Yours very truly,

P. A. Lyons

WESjr-DRM