

GULF OIL CORPORATION

BOX 98

ANDREWS, TEXAS

JUNE 17, 1963

Oil Conservation Commission Re: Federal Mills Lease
P.O. Box 871 NW/4 of Section 11, T-9-S, R-36-E
Santa Fe, New Mexico Lea County, New Mexico

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

Dear Sir:

Gulf Oil Corporation operates three wells on the Federal Mills Lease covering the NW/4 of Section 11, T-9-S, R-36-E, Lea County, New Mexico. Well #1 is a dually completed well in the Allison Abo and Penn pools. Well #2 is a single well in the Allison Penn pool. In order to eliminate excessive storage and producing equipment on the lease and thus more economically produce this property and extend the economic life it is requested that administrative approval be granted for exception to Rule 303-a to permit commingling of the Abo and Penn production on this lease.

Since all wells are limited capacity and well below the top unit allowable as shown in the table below it is requested that the production be determined on periodic well test. Should a well at any time be capable of producing top unit allowable Gulf will notify the Commission and install necessary metering equipment to meet all rules and regulations. In the Manual for the Installation and Operation of Commingling Facilities it is requested that applications to commingle marginal pools without separately measuring the production shall be accompanied by tabulation of production showing that the average daily production over a 60 day period has been below top allowable for these pools. Production from the Allison Abo and Allison Penn pools on the Federal Mills Lease for April and May, 1963 is as follows:

<u>April, 1963 Production</u>				<u>May, 1963 Production</u>			
<u>Well No.</u>	<u>Month</u>	<u>Daily Ave.</u>	<u>Top Unit Allow.</u>	<u>Month</u>	<u>Daily Ave.</u>	<u>Top Unit Allow.</u>	
1-Abo	1512	50	111	1335	43	111	
1-Penn	229	8	177	356	11	177	
2-Penn	856	29	177	738	24	177	

Tabulated below are volumes, gravities and monetary values of the individual and commingled liquid hydro-carbons:

<u>Pool</u>	<u>B/D</u>	<u>Corr. Gvty.</u>	<u>\$/Bbl</u>	<u>B/D x \$/Bbl</u>
Abo	47	38.2 ⁰	\$2.97	\$139.59
Penn	36	44.4 ⁰	\$3.01	\$108.36
				<hr/> \$247.95
Commingled	83	41.3 ⁰	\$3.01	\$249.83

Commingling of the oils would thus increase the monetary value of the liquid hydro-carbons from these two pools by \$1.88 per day.

A copy of this request along with cover letter requesting their approval is being sent to United States Geological Survey at Roswell, New Mexico. We will request that a letter of approval be furnished your office.

This commingling proposal is in the interest of conservation in that it prevents unnecessary waste through more economical means of production.

Attached please find schematic diagram of the proposed commingling installation and a plat outlining the lease involved. Your consideration of the above request will be greatly appreciated.

Yours very truly,

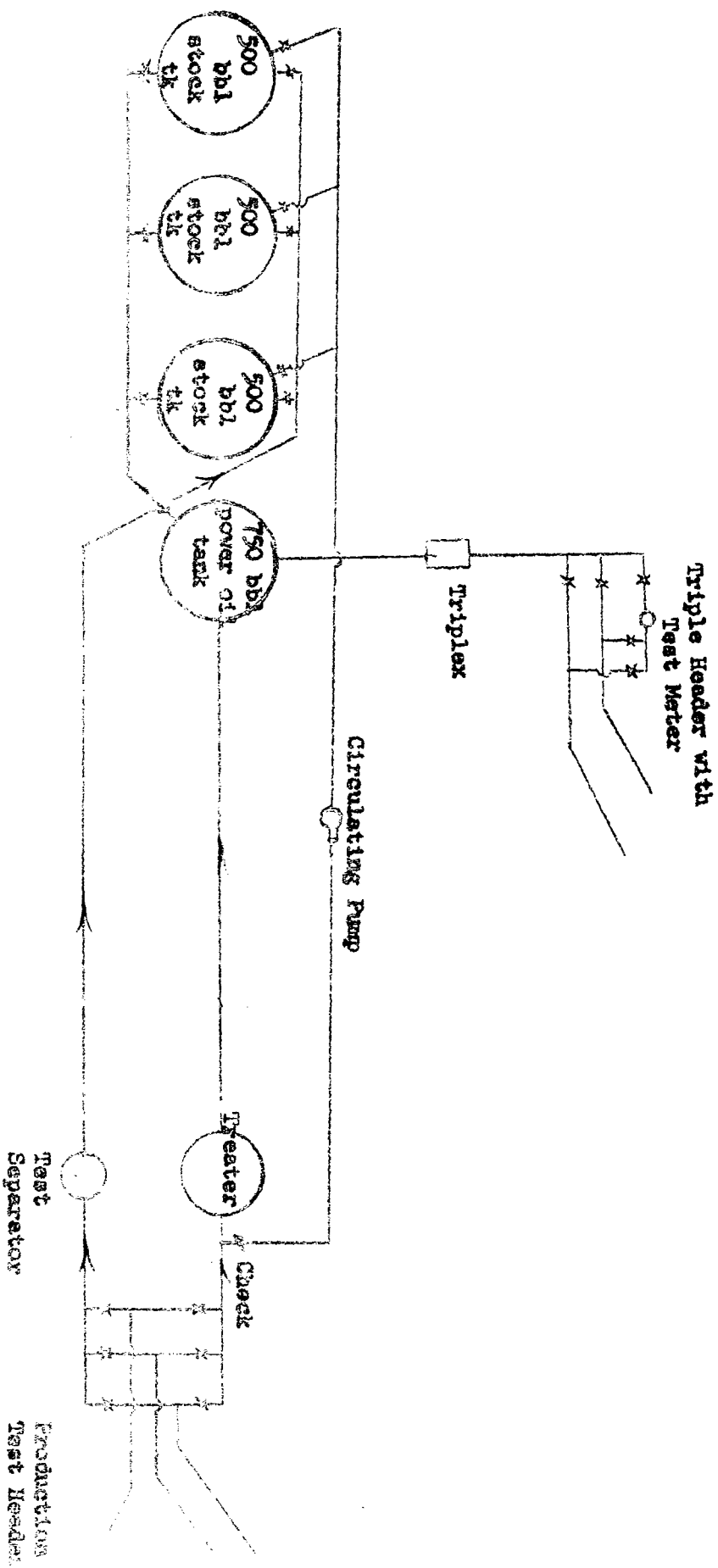
GULF OIL CORPORATION


 Fred G. Courtney
 Area Production Manager

ED/rn

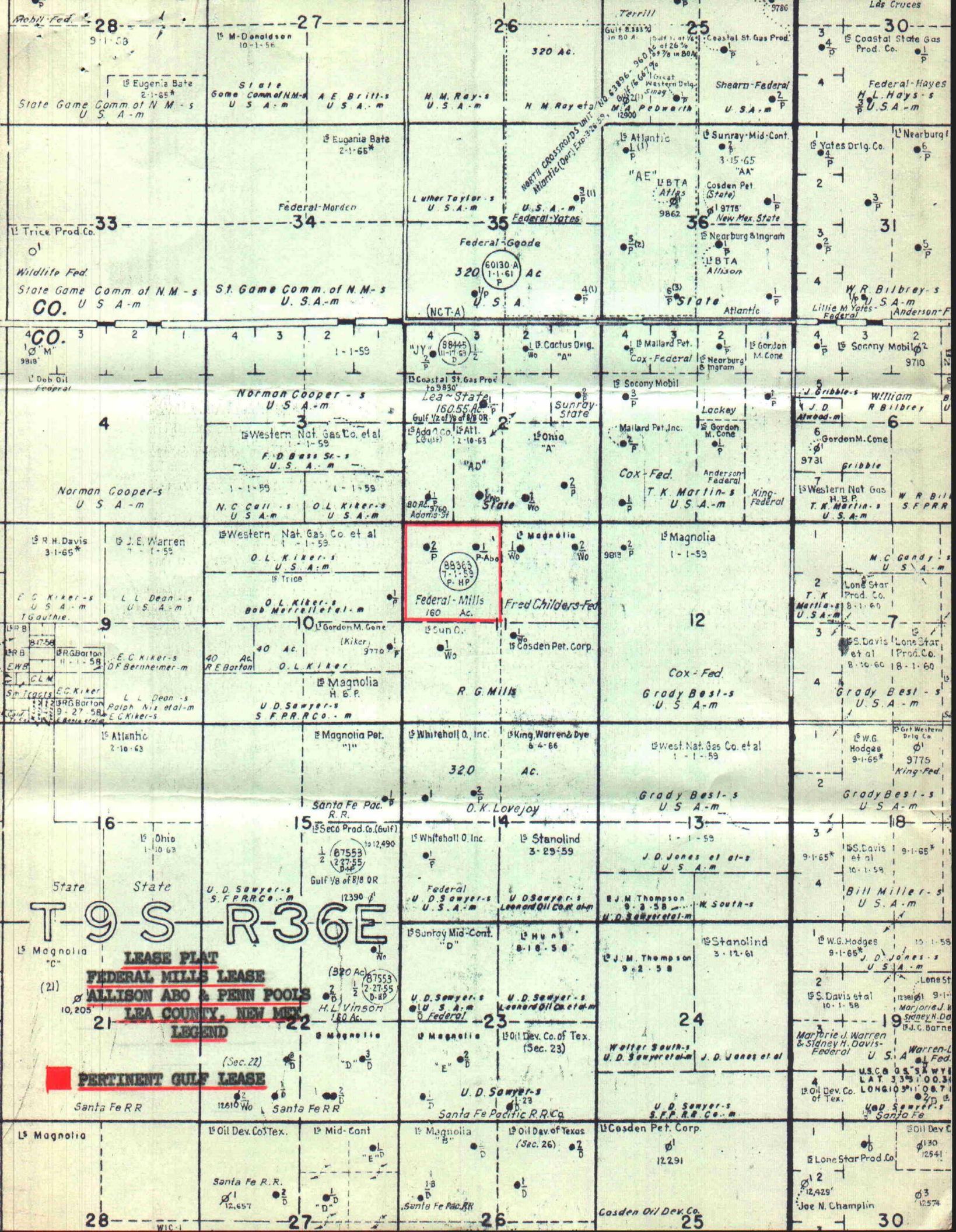
cc: Oil Conservation Commission
 P.O. Box 2045
 Hobbs, New Mexico

U. S. Geological Survey
 P.O. Box 6721
 Roswell, New Mexico



Green arrow represents regular
production stream
Red arrow represents test pro-
duction stream

SCHEMATIC DIAGRAM
PROPOSED CORING INSTALLATION
GULF'S FEDERAL MILLS LEASE



Drawer 1857
Roswell, New Mexico

JUN 27 1963

Gulf Oil Corporation
P. O. Box 98
Andrews, Texas

Attention: Mr. Fred G. Courtney

Gentlemen:

Your letter of June 17, 1963, requests approval to commingle production from the Abe and Pennsylvanian pools located in the NW 1/4 sec. 11, T. 9 S., R. 36 E., Lea County, New Mexico, on Federal lease Las Cruces 067771-4.

The method of commingling as described by the diagrams attached to your letter is hereby approved. You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Very truly yours,

(ORIG. SEC.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc: Hobbs

EGHubble:wok
6/24/63

Gulf Oil Corporation

ANDREWS PRODUCTION AREA

P. O. Box 98
Andrews, Texas

June 17, 1963

United States Geological Survey
P.O. Box 6721
Roswell, New Mexico

Re: Federal Lease LC-067771-A
Request For Commingling Authority

Attn: Mr. John A. Anderson

Gentlemen:

Attached please find copy of Gulf Oil Corporation's application to the Oil Conservation Commission requesting exception to Rule 303-a to permit commingling of the production from the Abo and Penn pools on Gulf's Federal Mills Lease covering the NW/4 of Section 11, T-9-S, R-36-E, Lea County, New Mexico (referred to as your Federal Lease LC-067771-A).

As noted in the request the economic life of the lease would be extended and the average daily monetary value would be increased by \$1.88 per day through commingling.

If you have no objections to the request being made it is requested that a letter of approval be furnished the Oil Conservation Commission, Attention: Mr. A. L. Porter, Jr. at Santa Fe, New Mexico.

Your consideration of this matter would be greatly appreciated and should any further information be required, please advise.

Yours very truly,

GULF OIL CORPORATION


Fred G. Courtney

Area Production Manager

ED/rn

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

bcc: M. I. Taylor
Roswell, New Mexico



Gulf Oil Corporation

ANDREWS PRODUCTION AREA

May 29, 1963

P. O. Box 98
Andrews, Texas

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

Re: Request For Cancellation Of
Commingling And ACT Authority
Federal Mills Lease


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

Dear Sir:

Under Order #R-1795 issued October 11, 1960 authority was granted Gulf Oil Corporation for dual completion of our Federal Mills Well #1 located 660' FNL and 1980' FWL of Section 11, Township 9 South, Range 36 East, Lea County, New Mexico. Commingling authority and Automatic Custody Transfer were also approved by this order. Since the commingling authority and ACT authority granted have not been utilized it is requested that these two items approved by Order # R-1795 be recended. We plan in the near future to request commingling authority on the basis of limited capacity wells.

Very truly yours,

GULF OIL CORPORATION


Fred G. Courtney
Area Production Manager

ED/rn

cc: Oil Conservation Commission
P.O. Box 2045
Hobbs, New Mexico

United States Department Of Interior
Geological Survey
P.O. Box 6721
Roswell, New Mexico



Gulf Oil Corporation

ANDREWS PRODUCTION AREA

P. O. Box 98
Andrews, Texas

August 1, 1963

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

Re: Commingling Authority,
Federal Mills Lease,
NW/4 Section 11, T-9-S, R-36-E,
Lea County, New Mexico

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

Gentlemen:

Administrative Order PC-151 dated July 10, 1963 granted Gulf Oil Corporation authority to commingle production from the Abo and Penn Pools on the Federal Mills Lease located in the NW/4 of Section 11, T-9-S, R-36-E, Lea County, New Mexico. This is to inform you that the physical work has been completed and commingling is effective this date.

Yours very truly,

GULF OIL CORPORATION



Fred G. Courtney
Area Production Manager
By: R. H. Fluker

ED/rn

cc: Oil Conservation Commission
P.O. Box 2045
Hobbs, New Mexico

