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OIL CONSERVATION DIVISION  
SANTA FE

# Gulf Oil Exploration and Production Company

R. C. Anderson  
PRODUCTION MANAGER, HOBBS AREA

July 17, 1981

P. O. Box 670  
Hobbs, NM 88240

Re: Eaves Lease, Tank Battery  
Section 10-T22S-R37E  
Lea County, New Mexico  
Proposed Surface Commingling  
of Production from the Abo  
and Granite Wash Pools

Mr. Joe D. Ramey  
Energy & Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject lease, Gulf hereby seeks an amendment to Administrative Order PC-569. This amendment will allow Gulf to commingle production from the Blinbry Gas, Tubb Gas, Drinkard, Wantz Granite Wash, and Wantz Abo formations. All wells will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production. The tabulation also shows total average daily production for a two month period and results of recent production tests for the new completion. The calculated loss of revenue from the commingled production is approximately 8 cents per day compared to total revenue from the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Shell Pipeline Corporation has agreed to purchase the commingled production as proposed herein.

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

Yours very truly,

  
R. C. ANDERSON

MWC/skj

cc: Oil Conservation Commission - Hobbs  
C. F. Kalteyer - Midland



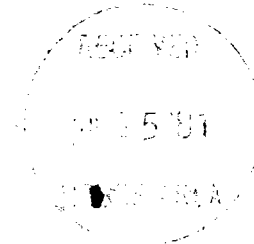
Eaves Lease, Tank Battery  
Section 10-T22S-R37E  
Lea County, New Mexico

<u>Wells and Pool</u>	<u>April 1981</u>	<u>May 1981</u>	<u>Total</u>	<u>Average BOPD</u>
Eaves #3 Wantz Abo Pool	-	-	-	10
Eaves #5 & 6 Drinkard Pool	0	0	0	0
Eaves #6 Blinebry Oil & Gas Pool	0	0	0	0
Eaves #7 Wantz Granite Wash Pool	59	71	130	4.3
Eaves #5 Tubb Gas Pool	0	0	0	0

	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Wantz Abo	10 ✓	39.0	\$33.71	\$337.30
Drinkard	0	-	-	-
Blinebry	0	-	-	-
Wantz Granite Wash	4.3 ✓	38.3	33.72	144.98
Tubb	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	14.3			\$482.28
Commingled	14.3	38.65	33.72	482.20
		Difference		(-.08)

*Lohay*

July 13, 1981



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

Gentlemen:

GULF OIL CORPORATION  
EAVES LEASE  
BLINEBRY(GAS), TUBB(GAS), DRINKARD,  
WANTZ(GRANITE WASH), & WANTZ(ABO)  
LEA COUNTY, NEW MEXICO

This is to confirm the phone conversation between your Mr. Bob Henry and the undersigned concerning the subject lease.

As discussed, we will continue to purchase the commingled production from the Blinebry(Gas), Tubb(Gas), Drinkard, Wantz(Granite Wash) & Wantz(Abo) formations.

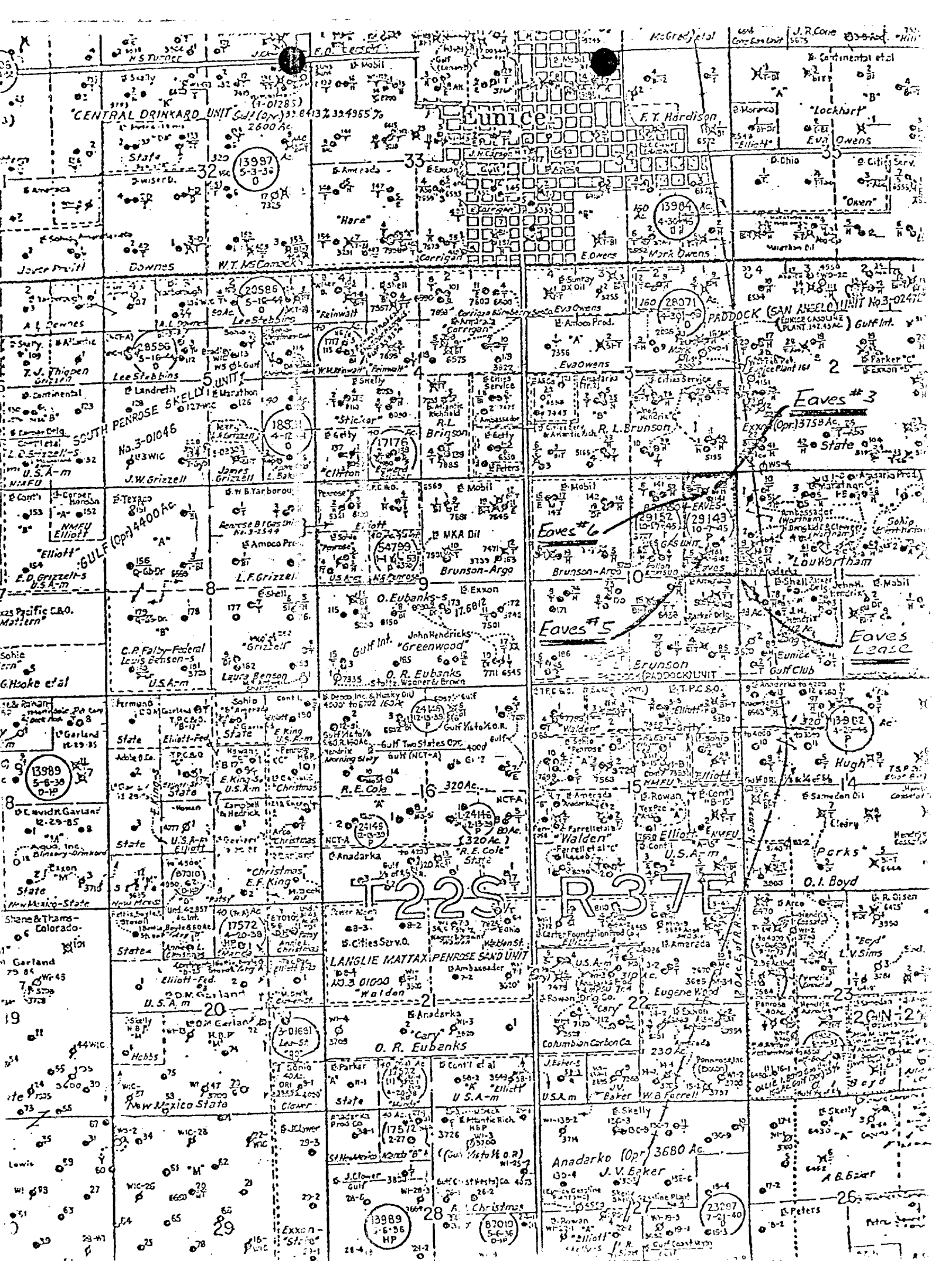
Yours very truly,

*R. R. Minus, Jr.*

R. R. Minus, Jr.  
Crude Oil Representative  
Midland Office

RRM:ec

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



GULF OIL CORPORATION

Eaves Lease

Proposed Commingled Tank Battery

Blinebry Gas, Tubb Gas, Drinkard, Wantz Granite Wash, and Wantz Abo

