

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. B. Hopkins
DISTRICT MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
H. A. Rankin
DISTRICT SERVICES MANAGER

P. O. Drawer 1938
Roswell, New Mexico 88201

June 12, 1967

MAILED
67 JUN 13 AM 8 17

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

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

Re: Application of Gulf Oil Corporation
For Administrative Approval For Lease
Commingling and Off Lease Storage,
North Bagley Lower Pennsylvanian Oil
Pool, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests administrative approval to commingle the production from the Lea State "HP" Lease, W/2 NE/4 Section 15, and the Lea State "OE" Lease, SW/4 SE/4 Section 9, T-11-S, R-33-E, North Bagley Lower Pennsylvanian Oil Pool, Lea County, New Mexico. Approval is also requested for off lease storage for the production from the above leases. Applicant proposes to construct tank battery facilities on the Lea State "OG" Lease, SE/4 SE/4 Section 9, T-11-S, R-33-E, for the North Bagley Lower Pennsylvanian production from the Lea State "HP" and "OE" Leases. Flat is attached with the pertinent leases outlined in red.

In support of this application, the following facts are submitted:

- (1) Applicant is the leasehold owner of the Lea State "HP" Lease and Well No. 1 has been completed in the North Bagley Lower Pennsylvanian Oil Pool.
- (2) Applicant and Sohio Petroleum Company jointly own the Lea State "OE" and "OG" Leases and the Lea State "OE" Well No. 1 is now being drilled to the North Bagley Lower Pennsylvanian Pool.
- (3) The hydrocarbon production from each lease will be accurately measured and determined in accordance with the applicable provisions of the Commission "Manual For The Installation and Operation of Commingling Facilities". Schematic sketch for the proposed commingled tank battery is attached.
- (4) The royalty interest is the State of New Mexico and the beneficial institution is identical for each lease, being the common schools.

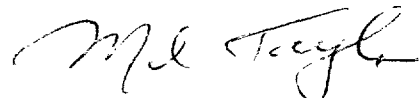


June 12, 1967

- (5) Applicant advised the Commissioner of Public Lands and Sohio of the proposed lease commingling and off lease storage. Attached are copies of their replies indicating no objection. Applicant will comply with the State's request to be notified of completion of facilities before operation is started.
- (6) All production will be from the same common source of supply.
- (7) Applicant proposes to utilize automatic custody transfer equipment and will file Form C-106 with the Commission's District Office in accordance with Rule 309-A.
- (8) This application is in the interest of prevention of waste in that the most economical production facilities may be utilized.

Respectfully submitted,

GULF OIL CORPORATION



M. I. Taylor

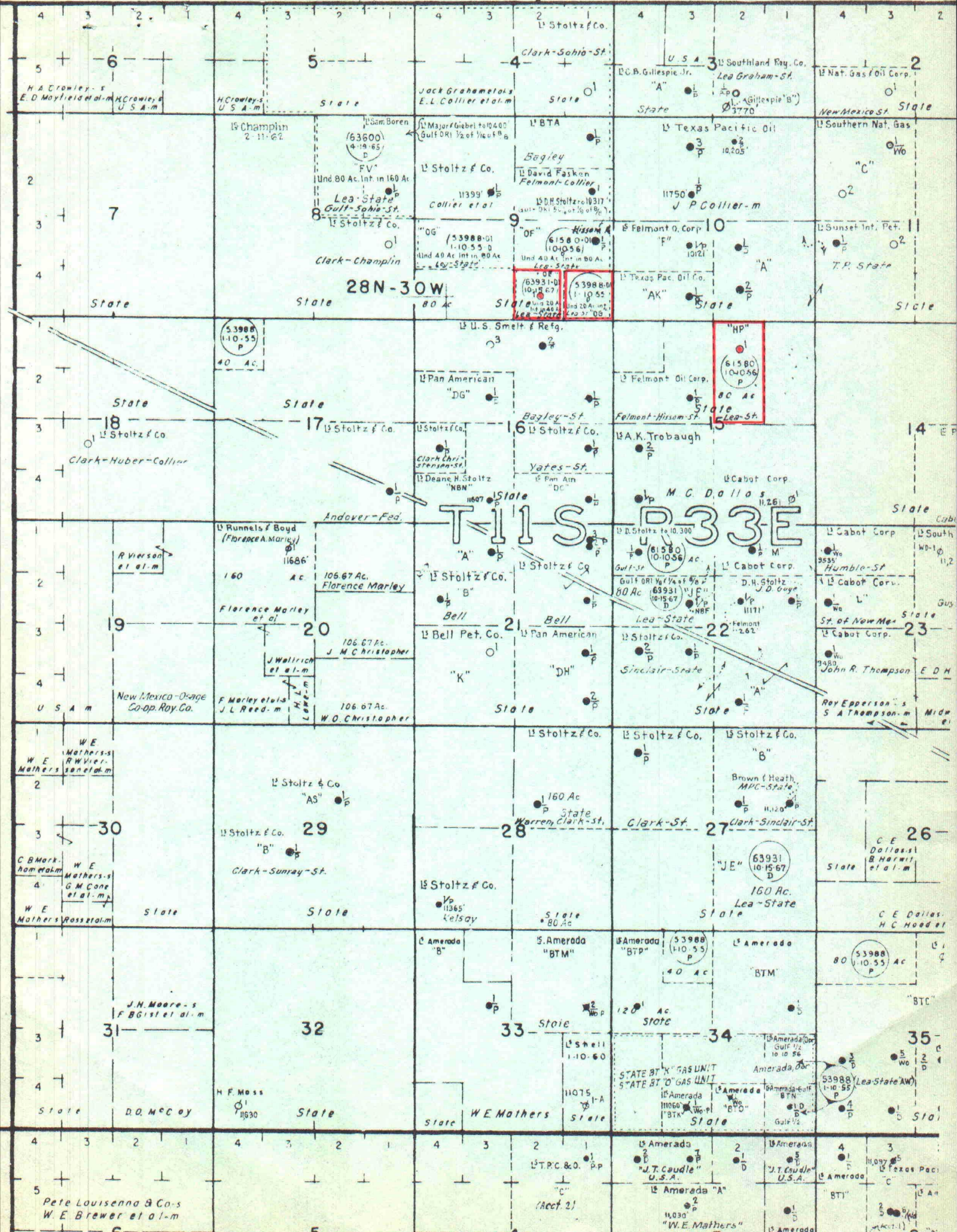
Attachments
JHH:sz

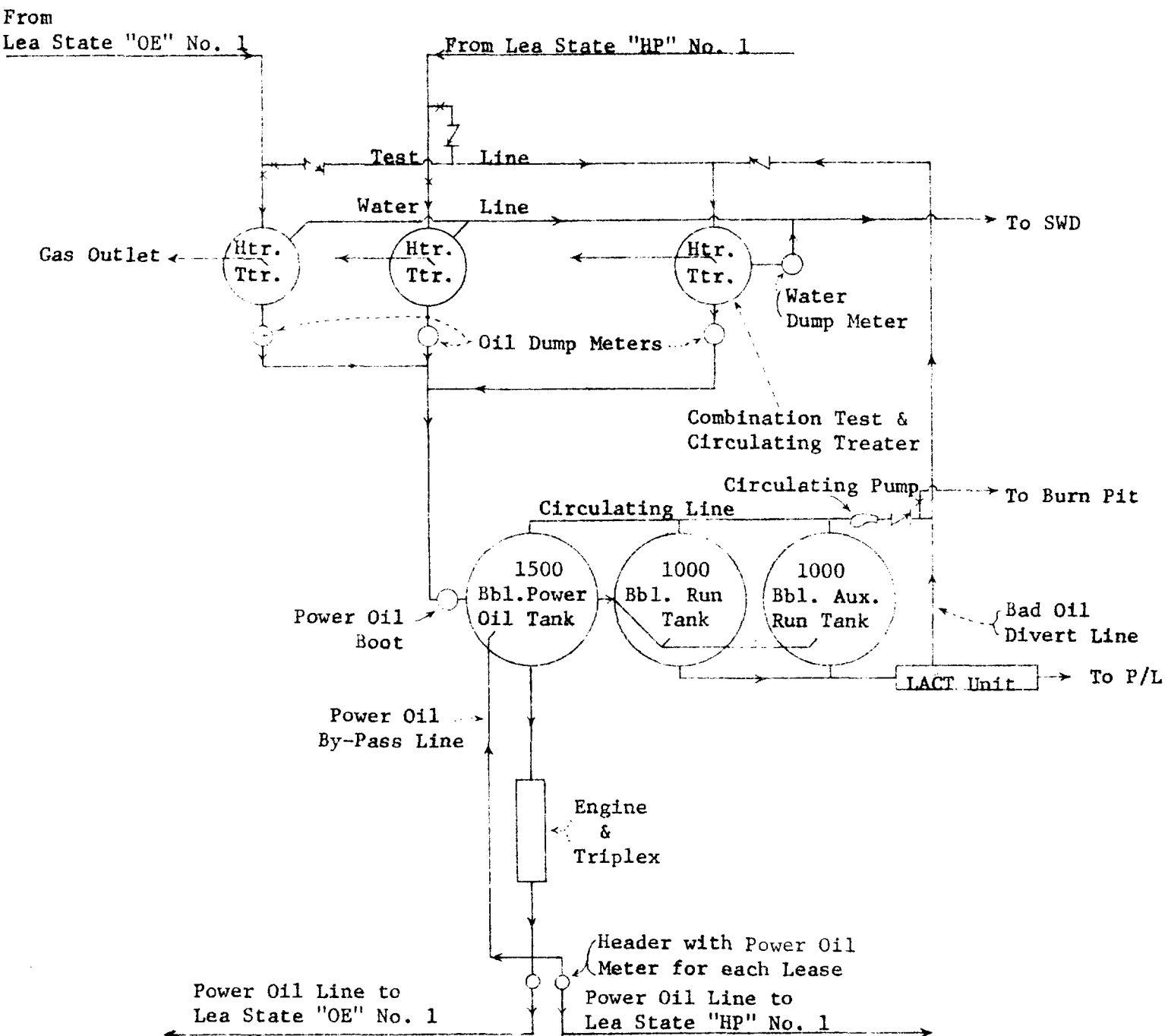
cc: New Mexico Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico 88240

State of New Mexico
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87501
Attention: Mr. Ted Bilberry

Sohio Petroleum Company
970 First National Office Building
Oklahoma City, Oklahoma 73102
Attention: Mr. J. E. Owens

1-10-S R-32-E





PROPOSED FLOW DIAGRAM FOR COMMINGLED TANK BATTERY ON LEA STATE "OG" LEASE FOR LEA STATE "OE" NO. 1 AND FOR LEA STATE "HP" NO. 1, NORTH BAGLEY LOWER PENN POOL, LEA COUNTY, NEW MEXICO

GULF OIL CORPORATION

State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

June 8, 1967

Gulf Oil Corporation
Post Office Drawer 1938
Roswell, New Mexico
88201

Attention: Mr. M. I. Taylor, District Production Manager

Gentlemen:

Re: Commingling of State of New Mexico Leases Nos. OG-1402, E-26 & E-1021

Please be advised that we have received and reviewed your application to commingle production from your Lea-State-"HP" Lease, described as the $W\frac{1}{2}$ NE $\frac{1}{4}$ Section 15; your Lea-State-"OE" Lease, described as the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9; and your Lea-State-"OG" Lease, comprising the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9--all in T-11S, Range 33 E, Lea County, New Mexico.

These leases are also respectively referred to as: State of New Mexico Lease E-1021, OG-1402, and E-26.

The Commissioner of Public Lands has no objection to your proposal to commingle the above described production, as outlined by your letter and schematic diagram, of May 15, 1967.

We would like to request that you notify this office after the completion of the facilities, but before they are put into operation, in order that we may make an inspection at the site.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

By:

Ted Bilberry
TED BILBERRY, Director
Oil and Gas Department

GBH:EB:TB:jc

cc: Oil Conservation Commission



SOHIO PETROLEUM COMPANY

PRODUCTION AND EXPLORATION DIVISION

June 5, 1967



Mr. M. I. Taylor
Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico 88201

Dear Mr. Taylor:

This has reference to your letter of May 15 concerning ACT equipment, lease commingling, and off lease storage in the North Bagley Lower Pennsylvanian Oil Pool, Lea County, New Mexico. We have no objection to the proposal outlined in your May 15 letter.

I presume that appropriate AFE's covering installation of these facilities will be submitted in the event the Lea "OE" State No. 1 is productive.

By telephone today Mr. Courtney, of your Andrews, Texas office, advised that you recommend drilling the Lea "OE" State No. 1 Well an additional 50 feet, or to 10,300'. Apparently the additional drilling is required to penetrate a Lower Penn stringer which was encountered in your "HP" well located in Section 15. This additional 50 feet of drilling is acceptable to Sohio.

Very truly yours,

J. E. Owens

J. E. Owens
Manager, Joint Interests

JEO:asj

MAIN OFFICE

8 JUN 1967 PM

File
173

Gulf Oil Corporation
Post Office Drawer 1933
Roswell, New Mexico
88201

Attention: Mr. M. I. Taylor, District Production Manager

Gentlemen:

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Commissioner of Public Lands

By:
TED BILBERRY, Director
Oil and Gas Department

GDH:EB:TB:jc

cc: Oil Conservation Commission

Gulf Oil Corporation

EXPLORATION AND PRODUCTION DEPARTMENT—U. S. OPERATIONS
ROSSELL DISTRICT

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Oil Conservation Commission
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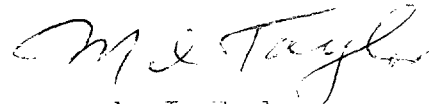


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370 First National Office Building
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