

Gulf Oil Corporation

KERMIT PRODUCTION AREA

J. L. Pike
AREA PRODUCTION MANAGER

1 AM 8 17

February 27, 1963

P. O. Box 980
Kermit, Texas

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

Re: Request for Exception to Statewide
Rule 303 (a) to Permit the Commingling
of Production Between the Ellenburger,
Waddell, McKee, Montoya, and Fusselman
Pays, in North Justis Field, Section 36,
T-24-S, R-37-E, Lea County, New Mexico.

Gentlemen:

Authority to commingle the production from the Ellenburger, McKee, and Fusselman Pools in the North Justis Field on Gulf's W. A. Ramsay "C" Lease was granted on Administrative Order PC-72 dated April 6, 1962. The Gulf Oil Corporation request administrative approval to commingle production into common storage after separately metering the oil from the North Justis Waddell and the North Justis Montoya with the commingled production from the above mentioned pools on our W. A. Ramsay "C" Lease, Section 36, T-24-S, R-37-E, Lea County, New Mexico.

The following tabulation shows the expected commercial value of the commingled production to be greater than the commercial value of the production from the separate zones by \$21.06 per day:

Pool	No. Wells	Daily Prod	API Gravity	Specific Gravity	Gvty X Prod	Price	Gross Daily Revenue
Ellenburger	2	148	45.4	0.7998	118.37	\$ 2.99	\$ 442.52
Waddell	1	111	40.9	0.8208	91.10	3.01	334.11
McKee	2	122	45.1	0.8012	97.75	2.99	364.78
Montoya	1	87	39.5	0.8275	71.99	2.99	360.13
Fusselman	2	174	36.3	0.8433	146.73	2.93	509.82
							\$1911.36
Commingled	8	642	41.2	0.8192	525.94	\$ 3.01	\$1932.42

The schematic diagram of the proposed installation, Figure No. 1, shows four zones, all of which contain less than 6/10% BS&W, flowing into four gas-fluid separators with the fluid being metered before commingling. The fifth zone, which is producing water, will produce into a gas-fluid separator with the fluid going to a heater treater. The treated oil will be metered prior to commingling. Test will be taken by closing-in all wells in the zone but the

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Oil Conservation Commission
February 27, 1963
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one to be tested. If this method of testing becomes unsatisfactory because of an increase in the number of wells, approval for the installation of additional test facilities will be requested.

The Automatic Custody Transfer Unit, Figure No. 2, which is now in service will be utilized to measure the oil to the transporter.

Attached are letters from the Commissioner of Public Lands for the State of New Mexico; the crude oil purchaser, Texaco Incorporated; and the crude oil transporter, Texas-New Mexico Pipe Line Company, giving their approval of the proposed installation.

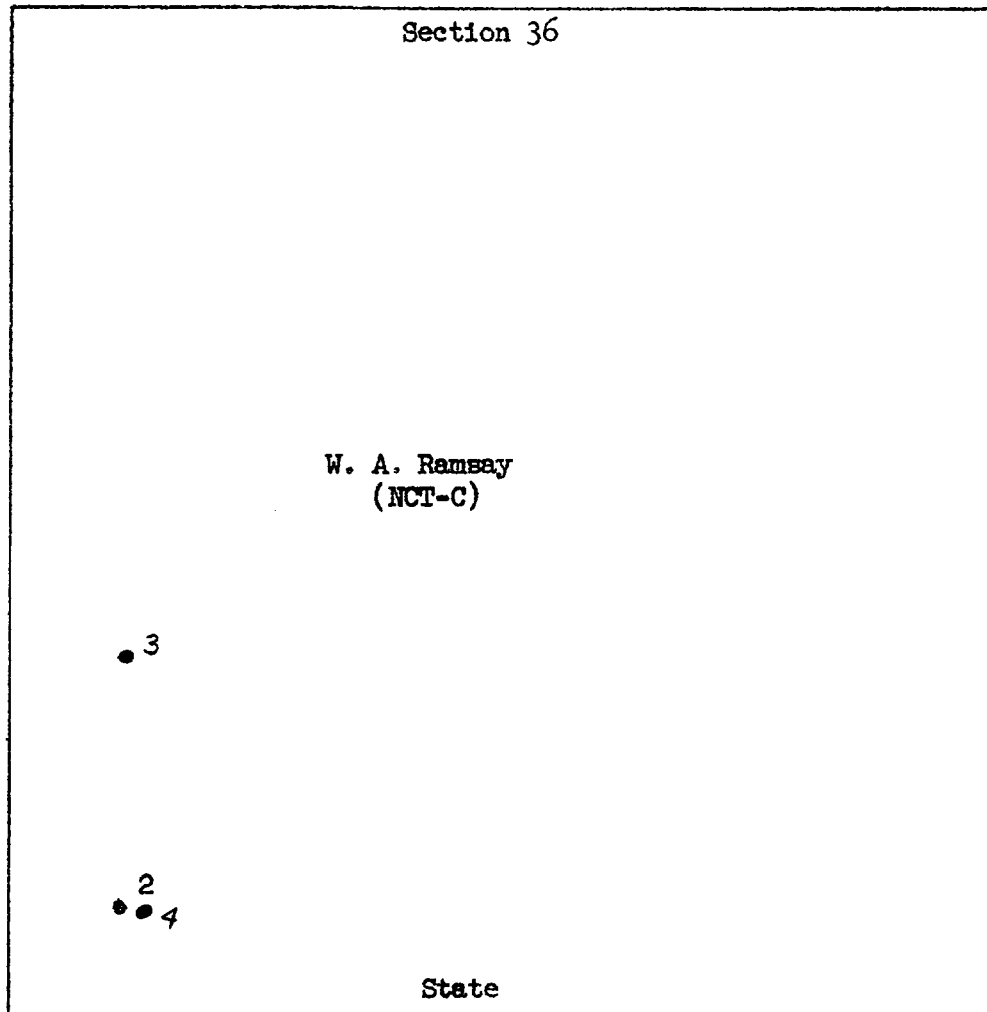
Yours very truly,



J. L. Pike

RMQ:ds

Attachment



Lease Plat
Gulf Oil Corporation
W. A. Ramsay (NCT-C)

Section 36, T24S, R37E
Lea County, New Mexico

Figure No. II

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1. Type Line
2. Back Pressure & Shut in Valve
3. Commercial Master Meter Pressure Controller
4. A. Smith ED Meter, Temperature compensated
with Non-Reset Counter, Capacity - Max 130,000
W.H. 20 CPM
5. Combustion Gas Analyzer & Air Measurement
6. Diverting Valve
7. Coupler
8. HSKW Gauge
9. Motor Drive
10. Red Oil Diverting Line
11. 500 PSI Red Oil & Gasoline Storage Tank
12. 500 PSI Gas Tank

February 25, 1963

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

Gentlemen:

Gulf Oil Corporation advises that they intend to make application to the New Mexico Oil Conservation Commission for permission to permanently install and operate a lease automatic custody transfer system on their W. A. Ramsay "C" Lease located in Section 36, T-24-S, R-37-E, Lea County, New Mexico.

Texas-New Mexico Pipe Line Company gathers production from this lease, and concurs in the operator's application for permanent approval to install and operate this LACT unit.

Yours very truly,

TEXAS-NEW MEXICO PIPE LINE COMPANY

By Fred Ashford, Jr. ^{FAJ}
Fred Ashford, Jr.
Division Manager

FAjr-btk

cc: Gulf Oil Corporation
P. O. Box 980
Kermit, Texas



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CONTENTS OF THE COLLECTION



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CRUDE OIL PURCHASES & SALES DIVISION (DOMESTIC)

W. L. EWELL, MANAGER

J. F. WEATHERMAN, REPRESENTATIVE



P. O. BOX 8106

MIDLAND, TEXAS

February 1, 1953

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Gulf Oil Corporation
W. A. Ramsey NCT-C Lease
Lea County, New Mexico
Texaco File No. 55-1625

Gulf Oil Corporation
Crude Oil Department
P. O. Box 2097
Denver, Colorado

Attention: Mr. D. L. Williams

Gentlemen:

This letter will acknowledge Mr. D. L. Williams' recent request for Texaco to purchase crude oil obtained from Well No. 4 producing from the Fusselman, Waddell and Montoya Fields under the captioned property which you propose to commingle with crude oil already commingled from the Justis, North (Ellenburger), Justis, North (McKee) and Justis, North (Fusselman) Fields from the same property.

Texaco Inc. is agreeable to purchasing the above mentioned crude oil, effective 7:00 a.m. February 1, 1953, under terms and conditions as follows:

1. Gulf Oil Corporation will furnish Texaco Inc. a statement each month reflecting the total barrels and quantities of the crude oil applicable to each of the subject fields which should be equal to the total number of barrels run from common tankage serving the captioned property.

ILLEGIBLE

Gulf Oil Corporation

2-

February 19, 1963

2. Texaco Inc. will pay Gulf for commingled crude oil purchased on a current basis and adjust said payments in accordance with the barrels and gravities shown on Gulf's statement for crude oil purchased during the preceding calendar month, under the terms of Texaco's 100% division order, without tax deductions, based on Texaco's posted price for West Texas (Intermediate Sweet) crude oil, (presently under Column 2, Bulletin 443), now \$3.01 a barrel for 300 - 440 gravity.

We trust the above is sufficient for your purpose and meets your approval and if we may be of further service please call or write us.

Yours very truly,


B. F. Weatherman

JFW:jc

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 14, 1963

Gulf Oil Corporation
P. O. Box 980
Kermit, Texas

Attention: Mr. J. L. Pike

Gentlemen:

Reference is made to your letter of February 27, 1963, wherein you request an amendment to Administrative Order PC-72 to include North Justis-Waddell and North Justis-Montoya production in said commingling authority.

It is our understanding from your application and the schematic diagram attached thereto that all but one of the five zones will be continuously metered prior to commingling. Please advise as to which of the five zones will not be metered but will be allocated on the basis of the subtraction method.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/esr

Gulf Oil Corporation

KERMIT PRODUCTION AREA

RECEIVED
1963
J. L. PIKE
PRODUCTION MANAGER

March 18, 1963

P. O. Box 980
Kermit, Texas

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

Re: Amendment of Administrative
Order PC-72 to include
North Justis - Waddell and
North Justis - Montoya
Production.

Attention: Mr. D. S. Nutter

Gentlemen:

In reply to your letter of March 14, 1963, the Gulf Oil Corporation proposes to meter continuously the production from all five zones on its W. A. Ramsay "C" Lease. As shown on the attached schematic diagram the production from Zones A, B, C, and D will be metered at the gas-fluid separator outlet before commingling. Zone E production will be metered at the heater treater outlet before commingling.

Please advise, if further information is needed.

Very truly yours,


J. L. Pike

RMQ:ds



W. A. RAMSAY (NCT-C)
 SCHEMATIC DIAGRAM
 FIGURE No. 1

