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OK-
GULF OIL CORPORATION
P. O. Box 670
Hobbs, New Mexico

November 23, 1965

Re: J.N. Carson (NCT-A) Lease,
Sec. 28 and 33-21S-37E,
Lea County, New Mexico

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

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

Dear Sir:

Production of the Penrose Skelly Pool from the J.N. Carson (NCT-A) Lease is presently limited to one well and the Paddock Pool production is produced from a total of four (4) wells from this same lease. Producing facilities originally installed for the Penrose Skelly production are in need of replacement at this time. Gulf would like to commingle the production from these two pools into one tank battery on this lease to eliminate the need for replacement of equipment in the Penrose Skelly tank battery.

Gulf hereby seeks administrative approval from the Oil Conservation Commission to commingle the Penrose Skelly and the Paddock crude oil production on the J.N. Carson (NCT-A) Lease. Attached is a 61 day production record tabulation which is indicative of the production capabilities of the five wells involved in this request, a lease plat showing the lease, well locations, and a schematic diagram of the proposed installation. Since none of the wells are presently capable of top allowable production, Gulf proposes to commingle without separate measurement and based on allocation by frequent well tests in accordance with the "Manual for the Installation and Operation of Commingling Facilities".

The following tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from the individual pools as well as the calculated commingled production

Pool	Bbls/day	Gvty	\$/Bbl.	\$/Day (BPD X \$/Bbl)
Penrose Skelly	8	34.9	2.77	22.16
Paddock	62	35.4	2.80	173.60
Commingled	70	35.3	2.80	195.76
				196.00
			Net Difference +	\$ 24/day

The actual commercial value of the commingled production will be slightly more than the sum of the values of the production from the individual pools.

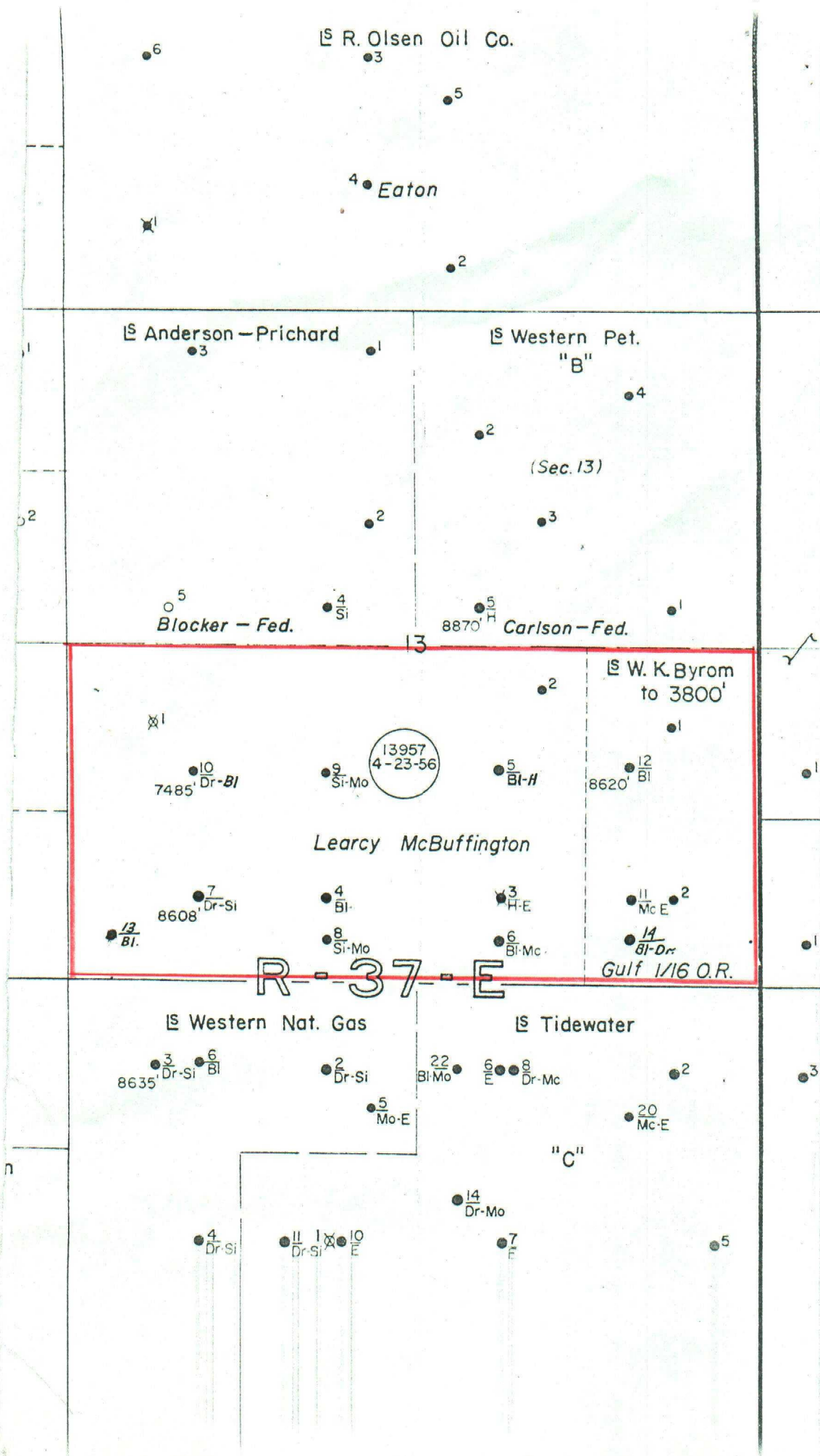
This commingling proposal is in the interest of conservation in that it prevents unnecessary waste.

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Yours very truly,

L. A. Turner
C. D. BORLAND
Area Production Manager

LCS
cc: OCC, Hobbs, R.M. Wiese



GULF OIL CORPORATION
PRODUCTION RECORD

61 Day Production Record

<u>Lease</u>	<u>Well No.</u>	<u>Pool</u>	<u>Average BOPD</u>		<u>Top Allow. BOPD</u>
			<u>Sept.</u>	<u>Oct.</u>	
J.N. Carson (NCT-A)	1	Penrose Skelly	8.1	8.5	39.0
"	3	Paddock	11.1	11.0	52.0
"	5	"	6.7	6.4	52.0
"	8	"	40.1	30.4	52.0
"	11	"	<u>14.0</u>	<u>14.0</u>	<u>52.0</u>
T o t a l			71.9	61.8	208.0

ILLEGIBLE

LCS
Hobbs, N.M.
11-23-65

J.N. CARSON (NCT-A)
Commingling Request

GULF OIL CORPORATION
SCHEMATIC TANK BATTERY DIAGRAM
J. N. Carson (NCT-A) TB #3
Section 28 & 33, 21-S, 37-E, Lea Co. N. M.

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