

GULF OIL CORPORATION
P. O. Box 670
Hobbs, New Mexico 88400

December 14, 1966

DEC 19 AM 10 04

Re: Exception to Rule 303 -
Rollon Brunson Lease,
W/2 NE/4 of Section
10-22S-37N, Lea County,
New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2083
Santa Fe, New Mexico

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

Dear Sir:

Due to deterioration of tank battery equipment and lack of treating facilities, we request administrative approval for commingling the Elinebry, Drinkard, and Paddock pools on subject lease.

Attached is a plat showing the lease location, a 60 day production tabulation (I) for each pool, and a copy of a letter from Shell Oil Company agreeing to purchase the commingled crude from this lease. This is a fee lease and Commissioner of Public Land approval is not required.

Tabulation II (attached) indicates a negligible effect on income to the State of New Mexico by the proposed commingling.

Approval of this proposal at your convenience would be appreciated.

Yours very truly,



C. D. BORLAND
Area Production Manager

ILLEGIBLE

RCS:ptg
Att:1.

cc: Oil Conservation Commission - Hobbs
B. L. Williams - Midland

GULF OIL CORPORATION - ROLLON BRUNSON LEASE

TABULATION I - 60 Day Production Record

<u>Pool</u>	<u>Well Nos.</u>	<u>Barrels per Month</u>		<u>Average Barrels Day</u>
		<u>October</u>	<u>November</u>	
Blinebry	4	65	70	2.2
Drinkard	4, 6	92	92	3.0
Paddock	3, 5	438	326	12.5

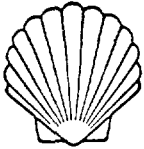
ILLEGIBLE

TABULATION II

<u>Pool</u>	<u>BOPD</u>	<u>API Gravity @ 60°</u>	<u>\$/Ebl.</u>	<u>\$/Day</u>
Drinkard	3	34.9	\$2.94	\$8.82
Blinebry	2	43.2	\$3.06	\$6.12
Paddock	<u>14*</u>	34.0	<u>\$2.94</u>	<u>\$41.16</u>
Total	19			\$56.10
Commingled	19	35.7	\$2.96	<u>\$56.24</u>
Gain				\$00.14

*Representative of zone capacity even though November production indicates a slightly lower figure

RCS:ptg
Hobbs, N.M.
12-14-66



SHELL OIL COMPANY

SHELL BUILDING
P. O. BOX 2099
HOUSTON, TEXAS 77001

DEC 12 1966
CRUDE OIL DEPT.

December 9, 1966

Subject: Gulf Oil Corporation
Rollon Brunson Lease
W/2 Section 10, 22-S, 37-E
Lea County, New Mexico

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79704

Attention Mr. D. L. Williams

Gentlemen:

We have received your letter requesting our approval for you to commingle the production from the Paddock, Drinkard and Blinebry zones on the above described lease which you operate. We are now purchasing the production from separate tankage serving each zone based on our Column 2 posting for segregated Intermediate Sweet crude oil.

We have no objection to the proposed commingling so long as the existing production ratio from each zone does not change appreciably.

Yours very truly,

T. B. Medders
Crude Oil Representative