

PC

# Gulf Oil Exploration and Production Company *ok*

R. C. Anderson  
PRODUCTION MANAGER  
HOBBS, AP-2

May 14, 1984

P. O. Box 670  
Hobbs, NM 88240

Re: Eaves #1 Tank Battery  
Section 10-T22S-R37E  
Lea County, New Mexico  
Proposed Surface Commingling  
of production from the Penrose  
Skelly and Eunice San Andres South Pools

Mr. Joe D. Ramey  
Energy and 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 exception to Rule 303A. This will allow Gulf to commingle production from the Penrose Skelly and Eunice San Andres South Pools. 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 2 month period and the results of recent production tests for the new completion. The calculated revenue from the commingled production is approximately two cents per day more than the total revenue from the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. The Permian 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

CNB/skc  
Att'd

cc: OCD-Hobbs  
J. R. Frank-Midland



A DIVISION OF GULF OIL CORPORATION

EAVES #1 TANK BATTERY  
Section 10-T22S-R37E  
Lea County, New Mexico

<u>Wells and Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Dec. 83</u>	<u>Jan. 84</u>		
Eaves #1 Penrose Skelly	94	64	158	2.5
Eaves #4 Eunice San Andres South	166	153	319	5.1

<u>Lease</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Penrose Skelly	2.5	35.5	\$28.91	\$ 72.28
Eunice San Andres South	5.1	39.2	\$28.98	\$147.80
Total				\$220.08
Commingled	7.6	38.0	\$28.96	\$220.10
			Difference	+0.02

## Lea County, New Mexico





RECEIVED  
MAY 10 '84  
HOBBS AREA

RECEIVED  
MAY 10 '84  
HOBBS AREA



# THE PERMIAN CORPORATION

1509 W. WALL P. O. BOX 3119  
MIDLAND, TEXAS 79702

915-683-4711

*RAH  
LPP  
C.L.M.  
Eaves for file*

May 9, 1984

Mr. R. C. Anderson  
Gulf Oil Corporation  
P. O. Box 670  
Hobbs, New Mexico 88240

Dear Bob:

It is our understanding that effective April 1, 1984, production from the Penrose Skelly (Grayburg) and Eunice (San Andres) fields were commingled on the Gulf Oil Corporation operated Eaves lease. Permian will continue to transport crude from the commingled battery using lease No.560857.

Should you have any questions, please feel free to call.

Sincerely,

*Steve Whiteside*  
Steve Whiteside

SW/tp

cc: Randy Roble-Gulf Oil Products