

Gulf Oil Exploration and Production Company

December 1, 1978

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

P. O. Box 670
Hobbs, NM 88240

Re: H. T. Mattern (NCT-D) & (NCT-E)
Leases - Sections 6 & 7-22S-37E,
& Sections 1 & 12-22S-36E, Lea
County, New Mexico

Mr. Joe D. Ramey
State of New Mexico
Energy & 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 leases, Gulf hereby seeks an amendment to Administrative Order CTB-264. This amendment will allow Gulf to commingle newly developed Tubb Oil with the commingled Drinkard production previously authorized under the above order. Gulf recently recompleted H. T. Mattern (NCT-D) No. 16 in the Tubb Oil Pool and seeks to commingle this production with Drinkard production from the H. T. Mattern (NCT-E) No. 13 and H. T. Mattern (NCT-D) Nos. 13, 14, 15 and 17. 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 recent 61 day period and the results of recent production tests for the new well. The calculated revenue from the commingled production is approximately 16¢ per day more than the total revenue from the individual pools.

Also attached are a lease plat, a schematic diagram of the storage facilities, and a copy of Western Crude Oil Inc.'s letter agreeing to purchase the commingled oil.

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

Yours very truly,

R. C. Anderson
R. C. ANDERSON

GWH:ptg
Att'd.

cc: Oil Conservation Division - Hobbs
Crude Oil Department - Midland
Proration Unit - Midland

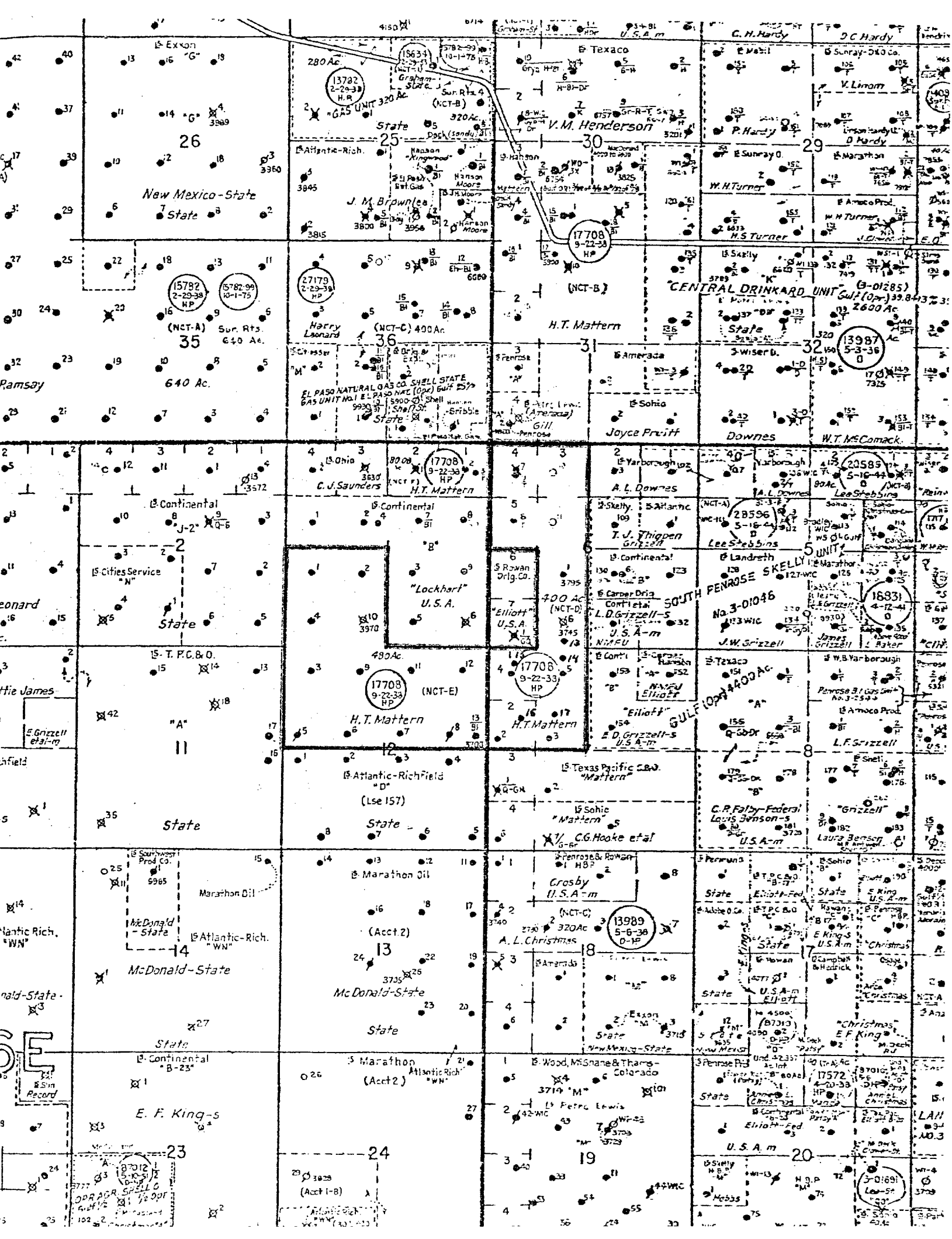


GULF OIL CORPORATION
H. T. MATTERN (NCT-D) & (NCT-E) LEASES
Lea County, New Mexico

<u>Wells</u>	<u>Pool</u>	<u>1978 Production</u>		<u>Total</u>	<u>Avg. BOPD</u>
		<u>Aug.</u>	<u>Sept</u>		
H. T. Mattern (NCT-D) Nos. 13, 14, 15 and 17	Drinkard	1,345	1,053	2,398	39.3
H. T. Mattern (NCT-E) No. 13	Drinkard	213	182	395	6.5
H. T. Mattern (NCT-D) No. 16	Tubb	-	-	-	10.0

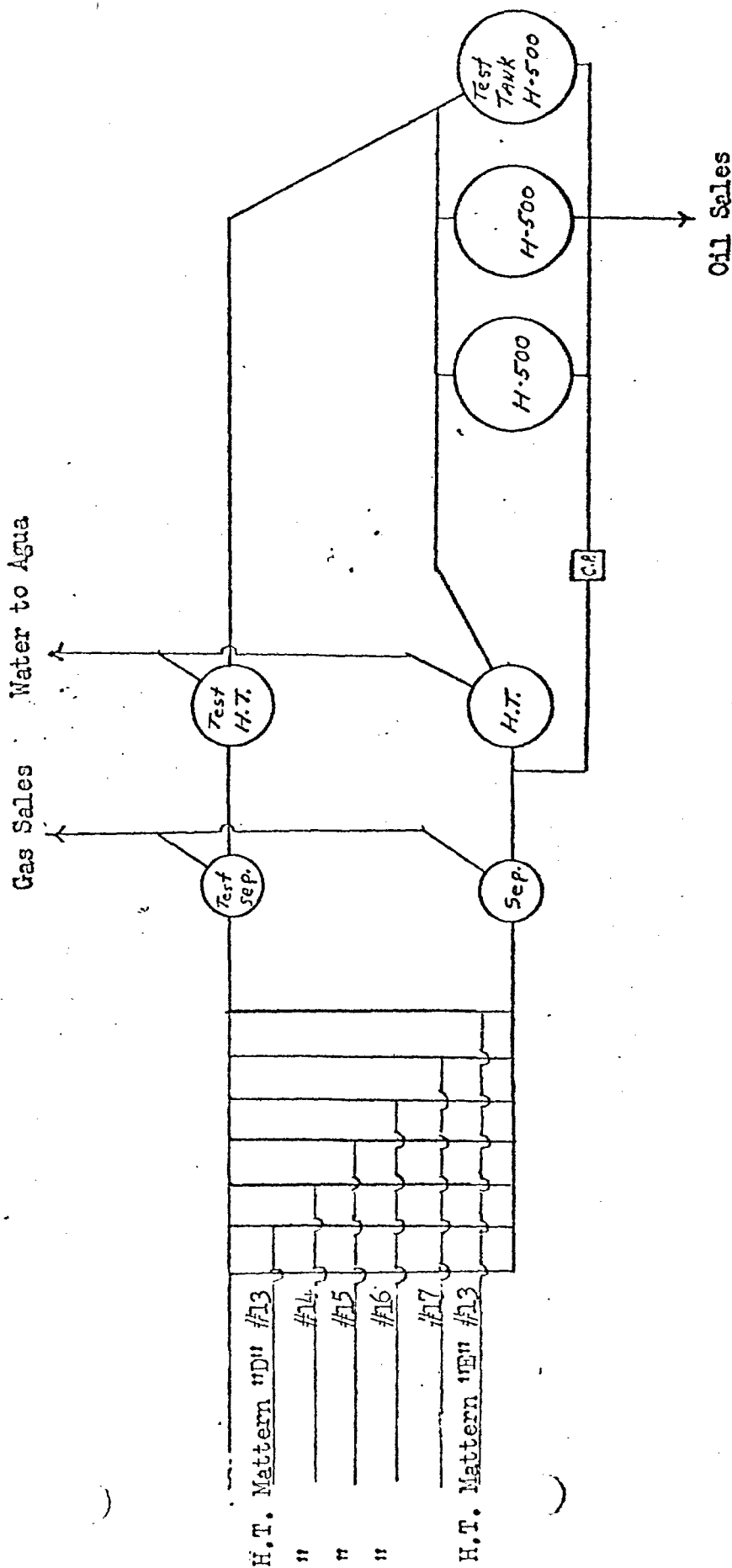
<u>Pool</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Barrel</u>	<u>\$/Day</u>
H. T. Mattern (NCT-D) Drinkard	39.3	36.3	\$12.81	\$503.43
H. T. Mattern (NCT-E) Drinkard	6.5	36.3	\$14.73	\$ 95.74
H. T. Mattern (NCT-D) Tubb	<u>10.0</u>	37.0	\$12.83	<u>\$128.30</u>
Total	55.8			\$727.47
Commingled	55.8	36.4	\$13.04	\$727.63
			Difference	+\$ 0.16

GWH:ptg
11-30-78



GULF OIL CORPORATION
SCHEMATIC DIAGRAM

PROPOSED COMINGLING INSTALLATION - H. T. MATTERN (MCT-D) TANK BATTERY





Western Crude Oil, Inc.

November 29, 1978



Joe A. Achilles
Division Manager
West Texas-New Mexico Division

Re: H. T. Mattern NCT D & E

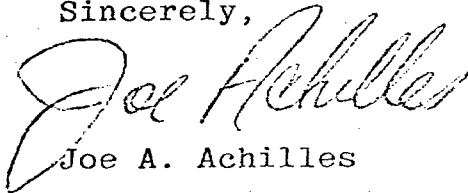
Gulf Oil Corporation
P. O. Box 670
Hobbs, NM 88240

Attention: Mr. R. C. Anderson

Gentlemen:

Western Crude Oil, Inc., as purchaser and transporter of the above captioned lease, agrees to purchase the Tubb production from Well Number 16 out of the commingled battery on this lease.

Sincerely,


Joe A. Achilles

JAA:aw