

GULF OIL CORPORATION

LAW DEPARTMENT

ROSWELL, NEW MEXICO

DAVID T. SEARLS
GENERAL COUNSEL
PITTSBURGH, PA
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FORT WORTH, TEXAS
WILLIAM V. KASTLER

ADDRESS ALL CORRESPONDENCE IN CARE OF
P. O. BOX 669, LAW DEPARTMENT

February 2, 1959

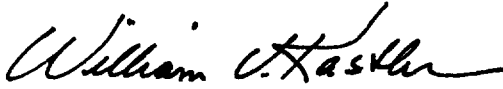
Oil Conservation Commission
of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: A. L. Porter
Secretary and Director

Dear Mr. Porter:

Pursuant to your request I am enclosing herewith our tabulation showing the names of all New Mexico pools connected to Gulf Refining Company's pipeline and also showing how many barrels comprise Gulf's net production and how many barrels comprise outside purchases, and finally, showing the percentage of Gulf runs to total runs.

Very truly yours,


William V. Kastler

WVK:ejl

Enclosure

NEW MEXICO OIL RUN BY GULF FROM LEASES DURING DECEMBER 1958DAILY AVERAGE BARRELS

	<u>GULF'S NET PRODUCTION</u>	<u>OUTSIDE PURCHASES</u>	<u>TOTAL</u>	<u>GULF'S PER- CENTAGE OF TOTAL</u>
<u>SEMI-SWEET</u>				
Anderson Ranch Dev.	957	1,483	2,440	39.2
Anderson Ranch Wolfcamp	412	530	942	43.7
Caudill Devonian	-	2,266	2,266	-
Caudill Wolfcamp	-	45	45	-
Dean Permo Penn	293	429	722	40.6
Denton	1,109	1,706	2,815	39.4
South Denton Devonian	10	834	844	1.1
Southwest Denton Dev.	-	266	266	-
Denton Wolfcamp	651	662	1,313	50.0
Kemnitz Cisco	-	206	206	-
Kemnitz Wolfcamp	-	4,104	4,104	-
Total Semi-Sweet	3,432	12,531	15,963	21.5
<u>SOUR</u>				
Arrow Lea Co.	146	21	167	87.4
Artesia	25	4	29	86.2
Blinebry	18	2	20	90.0
Blinebry Gas Lea Co.	48	107	155	31.0
Brunson Lea Co.	-	44	44	-
Drinkard Lea Co.	123	51	174	70.7
Eumont Gas	361	242	603	59.9
Eunice Mon SD 8 OS 16	669	102	771	86.8
Eunice Mon SD 16 M	1,715	273	1,988	86.3
Eunice Mon SCH DIST 16	309	2,203	2,512	12.3
Eunice South	202	29	231	87.4
Hare Lea Co.	-	87	87	-
Jalmat Gas	24	58	82	29.3
Langlie Mattix Lea Co.	98	192	290	33.8
N Mason Del Via Ill Ac	93	13	106	87.7
Monument Blinebry	182	232	414	44.0
Monument Ellenburger	11	1	12	91.7
Monument Paddock	288	163	451	63.0
New Mexico Trucked Stor.	-	37	37	-
Paddock Lea Co	135	19	154	87.7
Penrose Skelly Lea Co.	45	6	51	88.2
Teague Lea Co.	103	31	134	76.9
Teague Devonian	-	6	6	-
Teague Ellenburger Lea	48	48	96	50.0
Terry Blinebry	1	26	27	3.7
Tubb Gas	36	8	44	81.8
Wantz Abo	10	4	14	71.4
Warren McKee	23	3	26	88.5
Undesignated Lea	-	46	46	-
Total Sour	4,713	4,058	8,771	53.7
GRAND TOTAL	8,145	16,589	24,731	32.9

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Attention: A. L. Porter
Secretary and Director

Gentlemen:

Gulf Oil Corporation, a Pennsylvania corporation, authorized to do business in the State of New Mexico, states as follows:

(1) That Gulf Oil Corporation is presently engaged in purchasing crude oil in New Mexico from leases directly or indirectly connected to the Gulf Refining Company's pipeline.

(2) That as a result of a labor dispute and strike at its Port Arthur, Texas, refinery, and as a result of limited storage facilities, it is presently necessary and advisable for Gulf Oil Corporation to reduce its purchases of crude oil in the State of New Mexico to 33% of the daily allowable from each lease connected to the Gulf Refining Company's sour pipeline system.

(3) That the situation which requires Gulf Oil Corporation to reduce its purchases of such crude oil is of indefinite duration.

(4) That the reduction in purchases from leases connected to the sour system shall be made effective as of February 3, 1959 at 7:00 a.m. in order to attempt to avoid further, more serious reduction or complete shut-down of wells in the future.

(5) That at the present time there is no necessity to reduce the purchases by Gulf Oil Corporation from leases which produce semi-sweet oil and are connected to Gulf Refining Company's semi-sweet system.

(6) That at the present time Gulf Oil Corporation will continue to purchase without reduction all crude oil from any well or wells producing from a pool or reservoir which is or might be waterflooded.

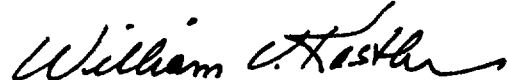
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(7) That at the present time Gulf Oil Corporation will continue to purchase all crude oil produced by those wells producing 10 barrels or less daily and will not prorate any well below 10 barrels per day.

(8) That by reason of the above facts, Gulf Oil Corporation says that it is unable to purchase all oil lawfully produced and tendered to it from the leases connected to the Gulf Refining Company's pipeline.

Respectfully submitted,

GULF OIL CORPORATION

A handwritten signature in cursive script, reading "William V. Kastler".

William V. Kastler
Attorney, Roswell, New Mexico