

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. A. Shellshear
DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
G. A. Price
DISTRICT SERVICES MANAGER

1960 SEP 2 AM 8:41

August 31, 1960

P. O. Drawer 669
Roswell, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: Application for Approval of Two
ACT Systems and Request for
Permission to Commingle the Sweet
Crudes from the Brunson and Hare
Pools and to Commingle the Sour
Crudes from the Terry-Blinbry and
Paddock Pools underlying Gulf's
Harry Leonard "F" Lease, Lots 1,
2, 7, 8, 9, 10, 15, 16 and SE/4
of Section 2, T-21-S, R-37-E,
Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to the applicable Rules and Regulations of the New Mexico Oil Conservation Commission to install and operate two ACT systems for sweet and sour crudes and to commingle into one battery the sweet crude from the Brunson and Hare Pools and commingle into another battery the sour crude from the Terry-Blinbry and Paddock Pools, underlying the subject lease.

Gulf will request exceptions to:

- (1) NMOCC's Rule 309 (a) which requires measurement of oil in tanks before such oil is transported from the lease.
- (2) NMOCC's Rule 303 which prohibits the commingling of oil between pools.

In support of this application, Gulf Oil Corporation states the following:

- (A) Applicant is the owner and operator of the Harry Leonard "F" Lease which consists of Lots 1, 2, 7, 8, 9, 10, 15, 16 and the SE/4 of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico. Lease plat is attached.
- (B) There is no diversity of royalty ownership underlying the above described lease.



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- (C) Applicant proposes to commingle the Brunson and Hare crudes in one battery after separately metering the Brunson crude. Applicant also proposes to commingle the Terry-Blinebry and Paddock crudes in another battery after separately metering the Terry-Blinebry crude. The production will be allocated on the basis of individual well tests.
- (D) The proposed ACT installation will have adequate facilities for all required tests and will result in efficient accounting of crude oil transferred to the pipeline gathering system.
- (E) The granting of this application is in the interest of conservation and will protect correlative rights.
- (F) By copy of this letter, all offset operators and the pipeline concerned are notified of this application.

Gulf Oil Corporation respectfully requests that this matter be set for Examiner Hearing at an early date.

Yours very truly,



W. A. Shellshear

JHH:dd

cc: Oil Conservation Commission
Post Office Box 2045
Hobbs, New Mexico

Commissioner of Public Lands
Post Office Box 791
Santa Fe, New Mexico

Aztec Oil and Gas Company
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