

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

SEP 27 AM 11 03
September 26, 1960

P. O. Drawer 669
Roswell, New Mexico

Re: Case No. 2085
Examiner Hearing
September 21, 1960

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

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

Gentlemen:

Reference is made to the testimony presented in the above case heard before Mr. Dan Nutter at the Examiner Hearing on September 21, 1960.

As you know, Gulf stated that the purchaser of production from the Eunice-King Lease had not approved the commingling of Tubb and Blinebry gas condensate in the sour crude battery, as a result of this two flow diagrams namely Exhibits No. 2 and No. 2A were presented. It was also stated that we would inform you which installation would be used depending on the purchaser's decision.

Please be advised that the purchaser does not want the Tubb and Blinebry gas condensate commingled in the sour battery, therefore, the installation will be as described in Exhibit No. 2A. This provides for separate storage and ACT equipment for handling Tubb and Blinebry gas condensate.

We wish to take this opportunity to thank you and your staff for the kind consideration in the method of handling this matter, and should you desire additional information, please advise.

Yours very truly,



W. A. Shellshear

JHH:dd



Gulf Oil Corporation

MAIN OFFICE OCC
ROSWELL PRODUCTION DISTRICT

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DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
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1960 SEP 22 AM 8:41

P. O. Drawer 669
Roswell, New Mexico

August 31, 1960

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

Gentlemen:

Re: Application for Approval of ACT System
and Request for Permission to Commingle
Oil and Condensate Produced from
Several Reservoirs Underlying Gulf's
Eunice King Lease, N/2 Section 28,
T-21-S, R-37-E, Lea County, New Mexico

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 automatic custody transfer equipment on the subject lease. Applicant further requests authority to commingle all sweet crude production on the lease into a separate ACT battery and to commingle all sour crude and condensate produced from the lease into another ACT battery.

In order to fully utilize these ACT systems, Gulf Oil Corporation 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 Eunice King Lease which consists of the N/2 of Section 28, T-21-S, R-37-E, Lea County, New Mexico.
- (B) There is no diversity of royalty ownership underlying the above described lease.
- (C) Applicant proposes to commingle Brunson and Hare production into the sweet crude ACT battery and commingle Wantz Abo, Paddock, Penrose Skelly, and Drinkard crude production and Tubb gas and Blinebry gas condensate production into the sour crude ACT battery.



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- (D) Applicant proposes to meter production from each of the above pools prior to commingling.
- (E) The proposed installation will have adequate facilities for all required tests and will result in efficient accounting of crude oil transferred to the pipe line gathering system.
- (F) The granting of this application is in the interest of conservation and will protect correlative rights.
- (G) By copy of this letter all offset operators and the pipe line concerned are notified of this application.

Gulf Oil Corporation respectfully requests that this matter be set for hearing at any early date.

Respectfully submitted,

GULF OIL CORPORATION

By: W. A. Shellshear
W. A. Shellshear

FWM:hs

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

Atlantic Refining Company
Post Office Box 1610
Midland, Texas

Socony-Mobil Oil Company
Post Office Box 3115
Midland, Texas

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