

DHC - 147  
Date 8/5/74

# Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT  
HOBBS AREA

C. D. Borland  
AREA PRODUCTION MANAGER

P. O. Box 670  
Hobbs, New Mexico 88240

July 11, 1974

Re: Nancy Stephens No. 3,  
Unit C, Section 24-21S-37E,  
Lea County, New Mexico

RECEIVED  
JUL 18 1974  
OIL CONSERVATION COMM.  
Santa Fe

Mr. A. L. Porter, Jr.  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

Your administrative approval is respectfully requested for an exception to Rule 303-A to permit down-hole commingling of marginal production in the subject well. The Drinkard and Blinebry Oil production on this lease is presently commingled in storage on the surface under Administrative Order PC-138. Surface commingling indicates that the fluids are compatible, and we do not expect any waste or reservoir damage due to down-hole commingling in the well bore. Ownership in the two pools is common and correlative rights will not be violated. Down-hole commingling will allow the recovery of additional hydrocarbons from this well. Should secondary recovery operations become practical in the future, the two zones could be separated at that time without damaging either reservoir.

The Blinebry Oil zone is presently temporarily abandoned on the tubing-casing annulus; therefore, no recent production or test history is available on the Blinebry Oil zone. In view of this, we suggest that the commingling order be issued at this time, and the allocation formula between the Blinebry Oil and Drinkard Oil zones be delayed for a minimum 30 day period to allow stabilization of production and adequate testing of the Blinebry Oil zone. Production during this stabilization period could be allocated on the basis of recent tests of the Drinkard zone.

Information on this matter, as outlined in Order R-3845, is attached for your consideration.

Yours very truly,

*C. D. Borland*

C. D. BORLAND

CRK:ptg  
Att'd.

c6: Oil Conservation Commission, Hobbs, N.M.  
Continental Oil Co., Box 460, Hobbs, N.M.  
Mobil Oil Corporation, Box 1800, Hobbs, N.M.  
Arco, P. O. Box 1710, Hobbs, N.M.

*Perf Blinebry 5756-5854  
Drinkard 6510-6645*



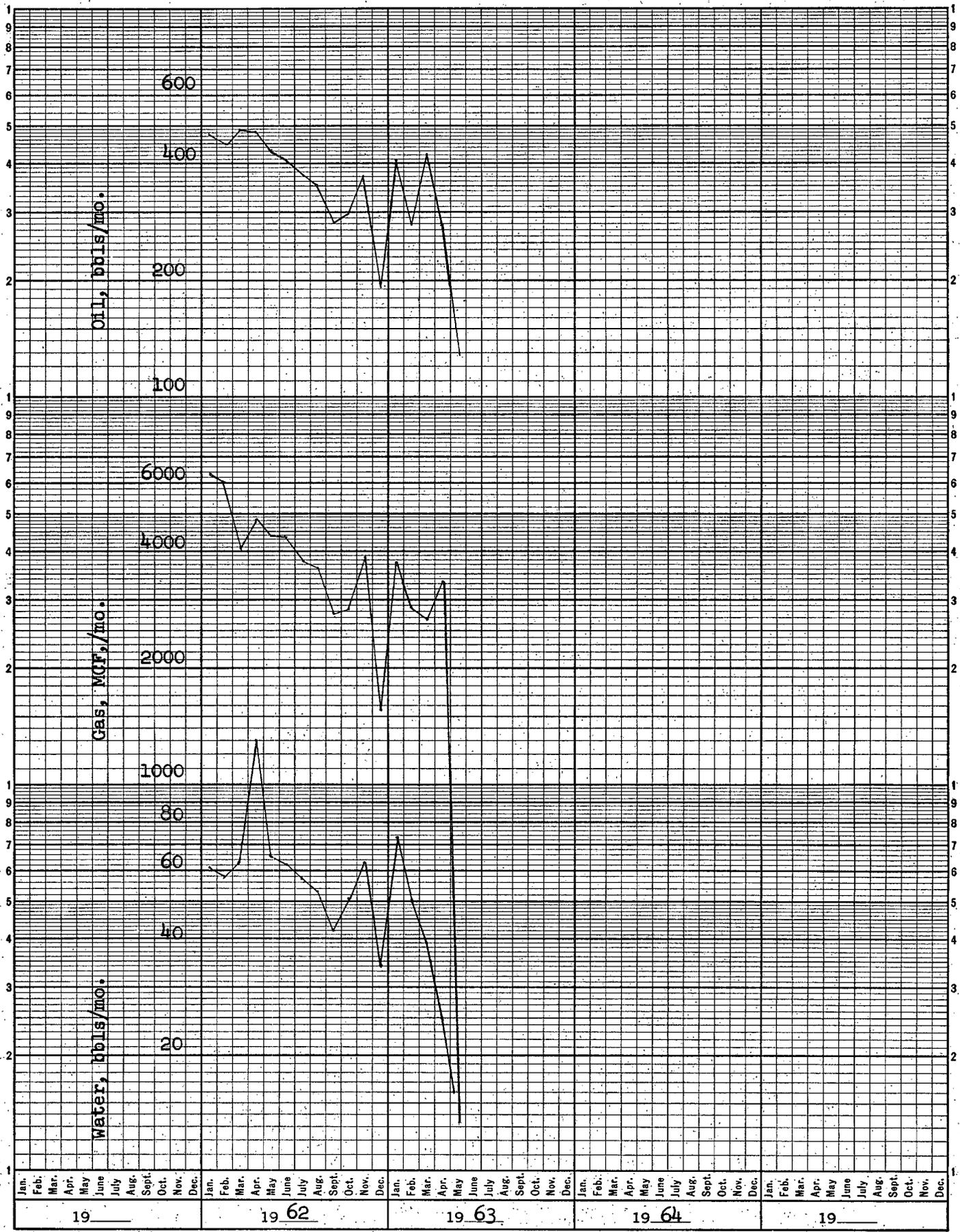
Re: Nancy Stephens No. 3

1. Operator: Gulf Oil Corporation  
P. O. Box 670  
Hobbs, New Mexico 88240
2. Lease and Well Number: Nancy Stephens No. 3  
660' FNL 1980' FWL  
Section 24-21S-37E  
Lea County, New Mexico
3. Pools Dualled: Blinebry Oil and Drinkard Oil,  
OCC Order No. MC-1306, April 15, 1963.  
Well was not dualled - Blinebry oil is  
TA on tubing-casing annulus.
4. Decline Curves: Attached - no recent decline  
curve available on Blinebry  
Oil zone
5. Estimated BHP (based on most recent  
available BHP data within vicinity  
of this well)

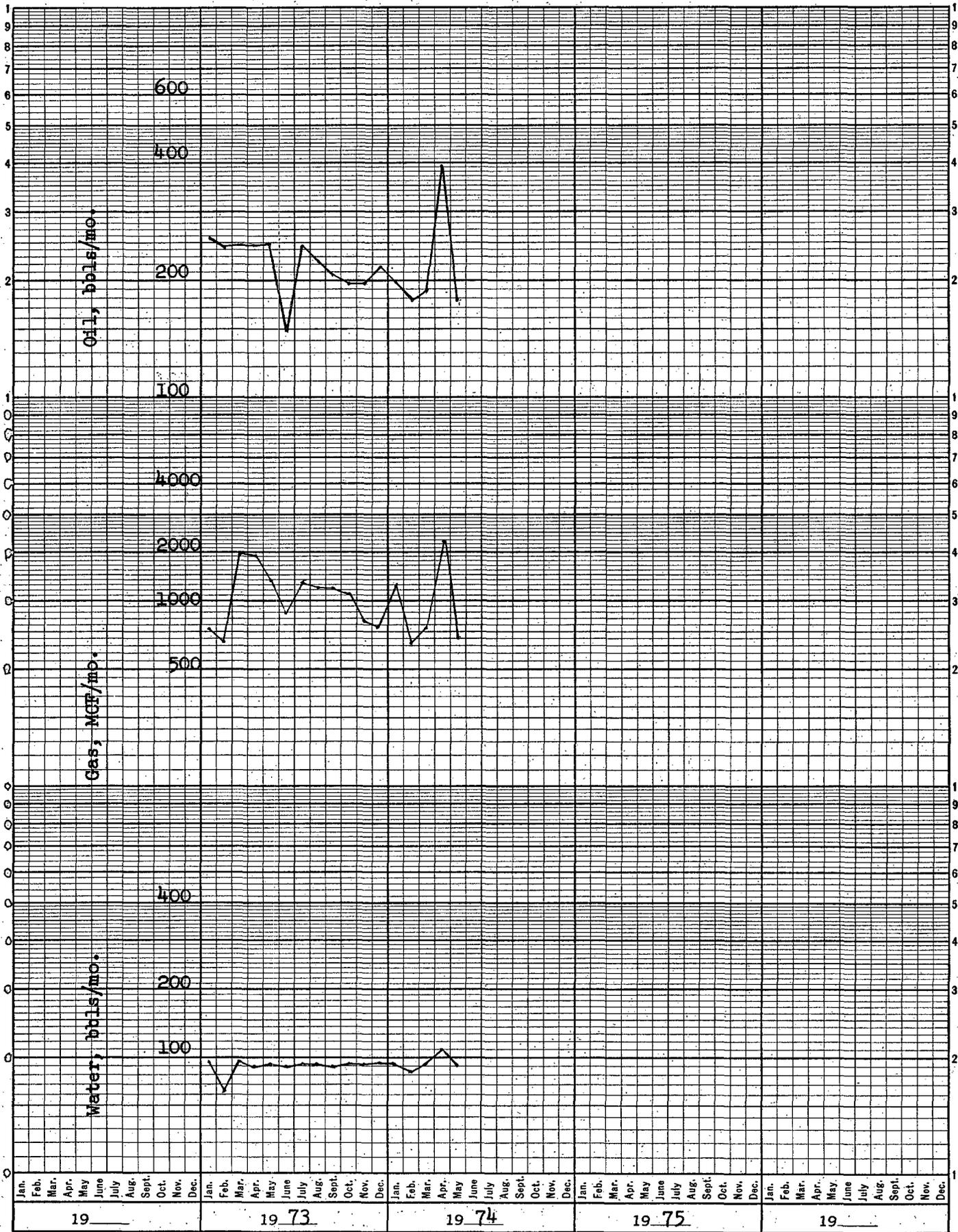
	<u>Datum</u>	<u>Pressure at Datum</u>
Blinebry Oil	-2400'	650 psi
Drinkard Oil	-3050'	630 psi
6. Fluid Characteristics: Drinkard and Blinebry production is  
presently being commingled on this  
lease, Order No. PC-138. There has  
been no evidence of incompatibility.
7. Value of Commingled Fluids:

	<u>BOPD</u>	<u>API Gvty @ 60°</u>	<u>\$/Bbl.</u>	<u>Rev/Day</u>
Drinkard	8	38.7	\$10.07	\$ 80.56
Blinebry Oil	10	37.5	\$10.05	<u>\$100.50</u>
				\$181.06
Commingled:	18	38.0	\$10.07	\$181.26
Difference:				+ \$ 0.20
8. Current Tests: Drinkard (7-10-74) 8 bo, 2 bwpd, GOR  
6,500  
  
Blinebry (3-2-63) 10 bopd, 2 bwpd, GOR  
11,300 (this is latest available Blinebry  
oil test - TA since 1963)
9. All offset operators have been notified by copy of attached letter.  
Continental Oil Co., Box 460, Hobbs, New Mexico 88240  
Mobil Oil Corporation, Box 1800, Hobbs, New Mexico 88240  
Arco, P. O. Box 1710, Hobbs, New Mexico 88240

CRK:ptg  
7-11-74



Gulf Oil Company - U. S.  
 Nancy Stephens #3  
 Monthly Production - Terry Blinebry



Gulf Oil Company - U. S.  
 Nancy Stephens #3  
 Monthly Production - Drinkard

NANCY STEPHENS #3

DRINKARD  
MONTHLY

(TERRY) BLINEBRY  
MONTHLY

	OIL	gas	WATER	DAYS		OIL	GAS	WATER	DAYS
19 73					19 62				
Jan.	256	765	93		Jan.	476	6305	61	
Feb.	244	689	74		Feb.	448	6088	58	
Mar.	248	1994	96		Mar.	487	4018	63	
Apr.	247	1944	90		Apr.	480	4833	130	
May	248	1370	98		May	429	4396	65	
June	148	898	90		June	408	4378	62	
July	246	1345	98		July	374	3768	57	
Aug.	222	1243	93		Aug.	351	3627	53	
Sep.	207	1239	90		Sep.	281	2760	42	
Oct.	196	1111	92		Oct.	297	2826	51	
Nov.	196	830	92		Nov.	372	3875	63	
Dec.	217	822	93		Dec.	192	1552	34	
	2675	14250	1090			4595	48376	739	
	30570					54680			
	OIL	GAS	WATER	DAYS		OIL	GAS	WATER	DAYS
19 74					19 63				
Jan.	199	1291	93		Jan.	410	3772	73	
Feb.	179	663	84		Feb.	278	2875	50	
Mar.	189	778	92		Mar.	424	2667	39	
Apr.	392	2358	110		Apr.	277	3351	25	
May	178	701	90		May	128	3	12	
June					June				
July					July				
Aug.					Aug.				
Sep.					Sep.				
Oct.					Oct.				
Nov.					Nov.				
Dec.					Dec.				
						1517	12668	199	
	OIL	GAS	WATER	DAYS		OIL	GAS	WATER	DAYS
19					19				
Jan.					Jan.				
Feb.					Feb.				
Mar.					Mar.				
Apr.					Apr.				
May					May				
June					June				
July					July				
Aug.					Aug.				
Sep.					Sep.				
Oct.					Oct.				
Nov.					Nov.				
Dec.					Dec.				

OIL CONSERVATION COMMISSION  
Hobbs DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE July 12, 1974

RE: Proposed MC \_\_\_\_\_  
Proposed DHC X \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

RECEIVED  
JUL 15 1974  
OIL CONSERVATION COMM.  
Santa Fe

Gentlemen:

I have examined the application dated 7/11/74  
for the Gulf Oil Corp. Nancy Stephens #3-C 24-21-37  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.D.R.  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

