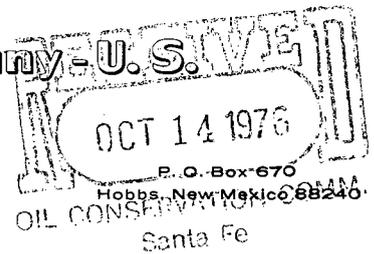


Gulf Energy and Minerals Company

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

October 12, 1976



Re: H. T. Mattern (NCT-B) No. 18
Unit O, Section 30-21S-37E,
Lea County, New Mexico

DHC - 207
DHC - 11/3/76

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Dear Sir:

Your administrative approval is requested for an exception to Rule No. 303-C-2 as provided for under Order No. R-5273 to permit down-hole commingling of marginal Blinebry and Drinkard production in the subject well. The Blinebry and Drinkard production on this lease is currently down-hole commingled in the well bore of Well No. 16 under Order No. R-5273. *Oil Gas*

There is no evidence of fluid incompatibility 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. Both zones will have to be pumped.

The subject well was deepened and completed in the Drinkard zone early in 1976. Attached is the completion history of the Drinkard zone, as well as the latest well test. (Also attached is the last recorded well test on the Blinebry zone as well as a three year decline curve.)

Upon completion of the subject well and as provided for under Order No. R-5273, Gulf will consult with the Supervisor of the Hobbs District Office of the Commission to determine an allocation formula.

Should secondary recovery operations become practical in the future, the two zones could be separated at that time without damaging either reservoir.

Also attached are other pertinent data regarding this application as outlined in Rule 303-C-2.

Yours very truly,

C. D. BORLAND

Attachments
ROW/dch



A DIVISION OF GULF OIL CORPORATION

Bottom pf: 6722
near prod = 40 BOPD

~~B1 - 4/3 B0~~ 270 ~~whf~~
~~D1 - 16 B0~~ 44 ~~whf~~
59 314
See DHC - 198
for allocation

- (1) Operator: Gulf Oil Corporation, P. O. Box 670, Hobbs, NM 88240
- (2) Lease: H. T. Mattern (NCT-B) No. 18, Section 30, T-21-S, R-37-E, Unit 0, Lea County, New Mexico
- (3) Well History, Production History, Decline Curve and Latest Tests:

The H. T. Mattern (NCT-B) No. 18 was deepened to the Drinkard zone between March, 1976 to May, 1976 and a 4" liner set. The well was perforated in 6 - 3' zones between 6487' and 6722' with 4-1/2" JHPF, acidized and frac stimulated. The well was equipped to pump and initial production 5-6-76 was 50 BOPD and 55 BWPD. Last Well test 9-23-76 was 16 BOPD and 31 BWPD.

Decline curves and production history for both zones, along with the latest C-116 are attached.

- (4) Bottom Hole Pressure Data:

Blinebry: Datum - 1991 Pressure @ Datum 800 PSI*
 Drinkard: Datum - 2975 Pressure @ Datum 1060 PSI*

*Estimates based on most recent available average BHP data within vicinity of well.

- (5) Fluid Characteristics:

Blinebry and Drinkard production are currently being commingled in the well bore of the H. T. Mattern (NCT-B) No. 16 (Order No. R-5273). There is no evidence of incompatibility.

- (6) Value of Commingled Fluids:

	<u>BOPD</u>	<u>API Gravity</u>	<u>\$/Bbl</u>	<u>Revenue/Day</u>
*Blinebry Oil	15	36.4	\$ 12.29	\$ 184.35
Drinkard Oil	16	38.3	11.28	180.48
Total	31			\$ 364.83
Commingled	31	37.4	\$ 11.77	\$ 364.87
			Difference	(\$ / 0.04)

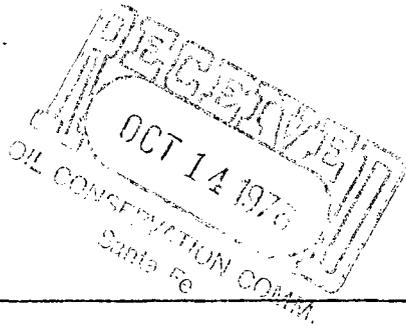
*Projected Blinebry production from decline curve and last fluid test 2-18-76.

- (7) All offset operators have been notified by copy of the attached letters: Adobe Oil Company, Hanson Oil Company, J. Hiram Moore and Amerada Hess Oil Company.

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Gulf Oil Corporation		Pool Drinkard		County Lea											
Address P. O. Box 670, Hobbs, NM 88240		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> Completion <input type="checkbox"/>		Section <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU. FT./BBL.	
		U	S	T	R						WATER BLS.	GRAV. OIL	OIL BLS.		GAS M.C.F.
H. T. Matern (NCT-B)	18	0	30	21	37	9/23/76	P 2" w/o	45	65	24	31	38.3	16	44	2,750
Special test for downhole commingling application.															



No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowable when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Well original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

[Signature]
(Signature)

Well Tester
October 13, 1976

NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS

C-116
Revised 1-1-55

Operator Gulf Oil Corporation		Pool Blinbery		County Lea											
Address P. O. Box 670, Hobbs, NM 88240		TYPE OF TEST - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>													
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	TYPE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU. FT./BBL	
		U	S	T							R	WATER BALS.	GRAV. OIL		OIL BBL.S.
H. T. Mattern (NOM-8)	18	0	30	21	37	7/8/75	P 2 1/8" / 50	30	43	24	11	34.7	43	270.	6279
<p style="text-align: center;">OIL CONSERVATION COMM. Santa Fe OCT 14 1976</p> <p>Last GOR test prior to deepening well and temporarily abandoning Blinbery zone. This test for downhole commingling application.</p>															

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Well Tester

Well Tester Signature
(Signature)

October 13, 1976

BPM oil & water
3000

H.T. MATTERN (NCT-B) #18 DRINKARD POOL

46 6693

2000

water

1000

oil

K&E 5 YEARS BY MONTHS X 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

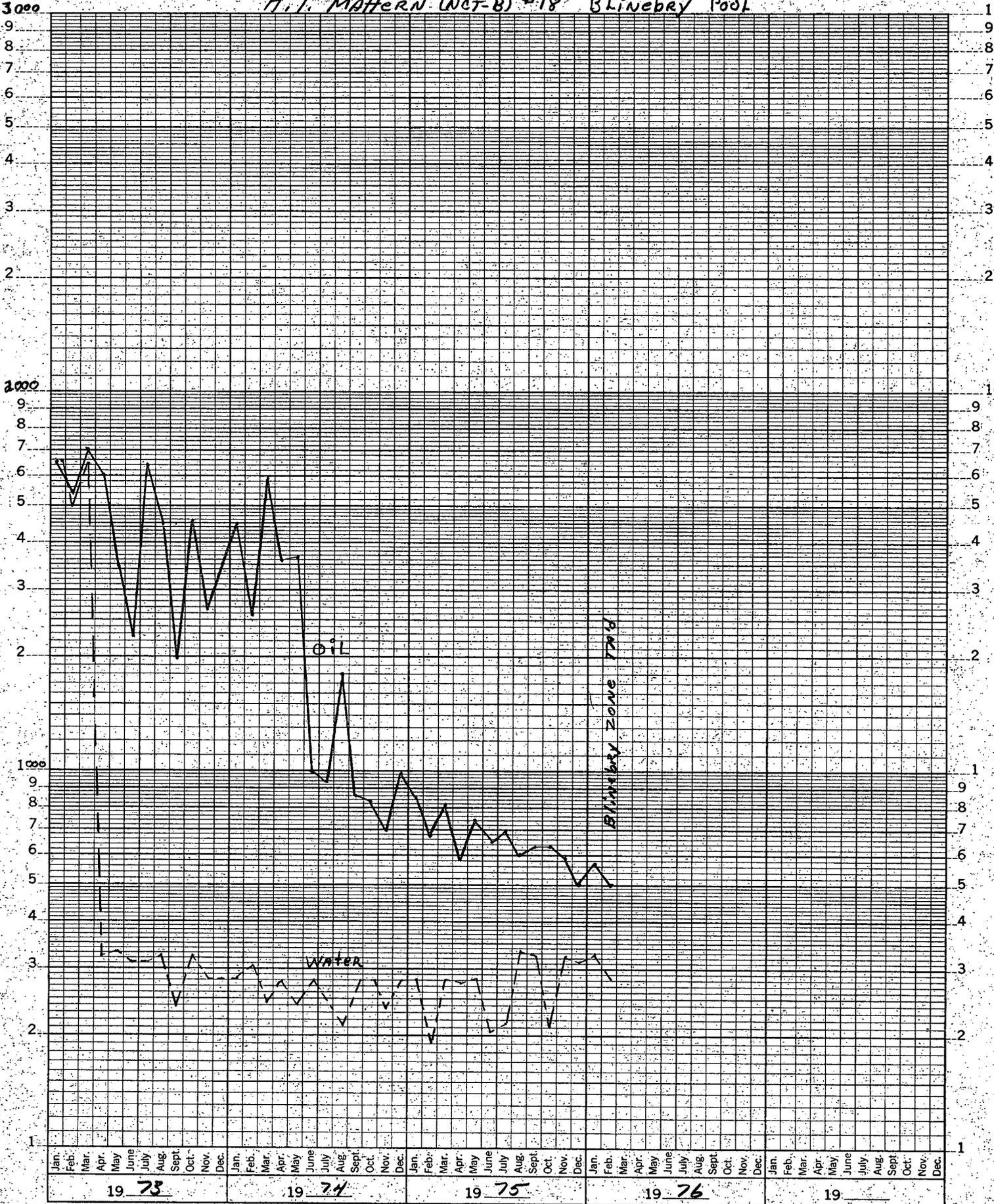
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
19 76												19												19												19											

BPM oil/water

H.I. MATTERN (NCT-8) #18 BLINEBRY POOL

46 6693

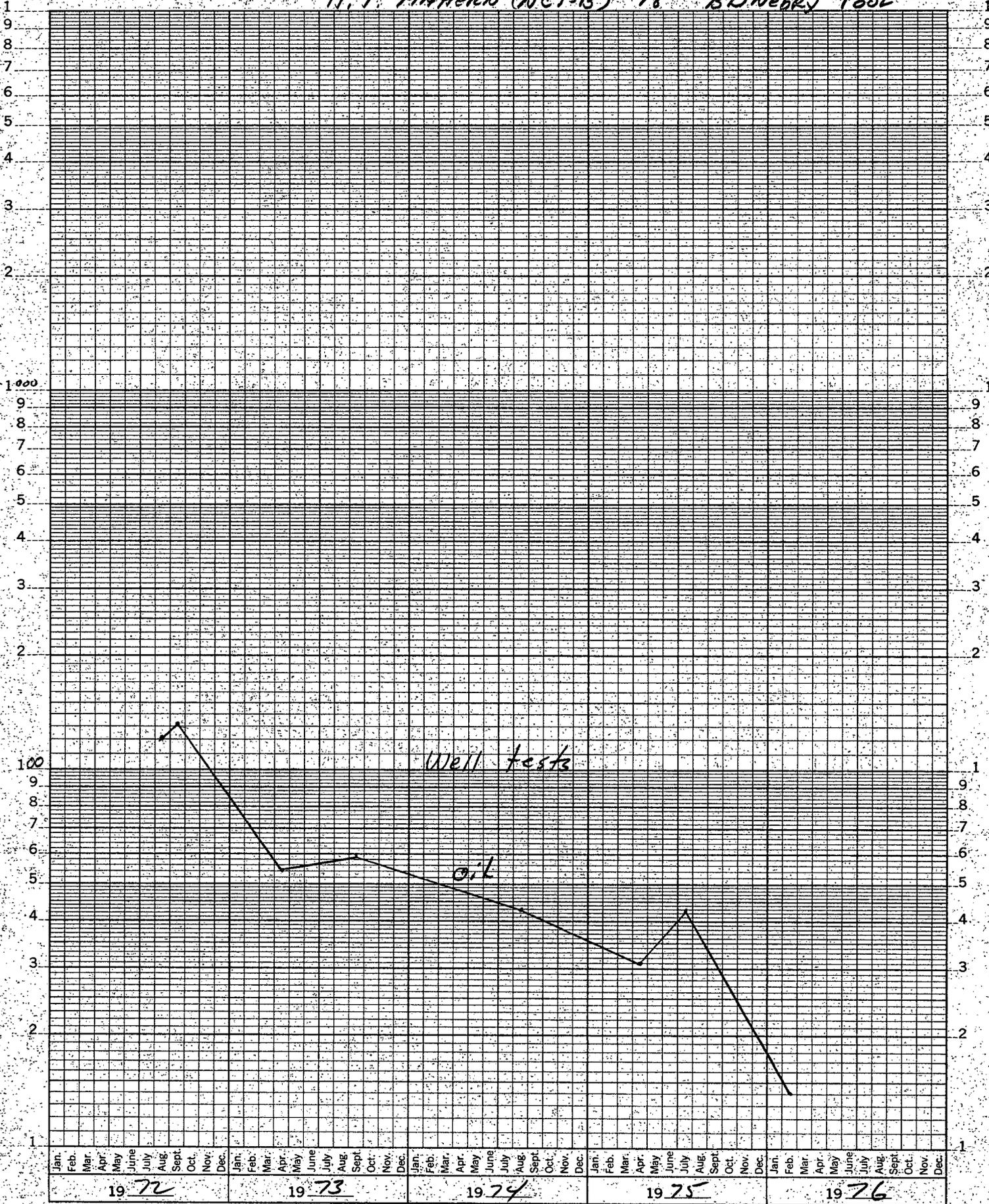
5 YEARS BY MONTHS X 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.



H. T. MAHERN (NCT-B) #18 BLINEBRY POOL

46 6693

K&E 5 YEARS BY MONTHS X 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

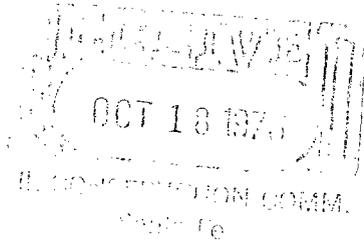


OIL CONSERVATION COMMISSION
Hobbs DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE October 14, 1976

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated _____
for the Gulf Oil Corp. H. T. Mattern (NCT-B) #18-0 30-21-37
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.S.

Yours very truly,