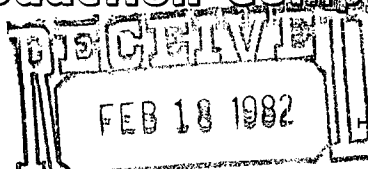


Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

February 8, 1982



P. O. Box 670
Hobbs, NM 88240

Re: Drinkard (NCT-B) LEASE
Unit P, Section 30-T22S-R38E
Lea County, New Mexico

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

Dear Sir:

Your administrative approval is requested for an exception to Rule No. 303-C2 to permit down-hole commingling of marginal Blinebry and Drinkard production in the subject well. The Drinkard (NCT-B) Lease is currently surface commingled under Order No. PC383. This will be the first well on this lease to have the Blinebry and Drinkard commingled in the wellbore. The Watkins Well No. 2, East of the subject well, has the Blinebry and Drinkard commingled in the wellbore under Order No. DHC-214.

There is no evidence of fluid incompatibility and we do not expect any waste or reservoir damage due to down-hole commingling in the wellbore. Ownership of 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. Currently both zones in the subject well are flowing, however, it may be necessary to equip the well to pump in the foreseeable future.

The Drinkard (NCT-B) #1 Well was drilled and completed in the Drinkard in 1945. The well was dually completed with the Blinebry in 1956 under Order No. MC-2184. Attached are the completion histories, 50 month decline curves, the latest well test for the subject well, and other pertinent data regarding this application as outlined in Rule 303-C2.

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

Yours very truly,

R. C. Anderson
R. C. ANDERSON

JNC/skj
Att'd

cc: C. F. Kalteyer-Midland



1. Operator: Gulf Oil Corporation, P. O. Box 670, Hobbs, New Mexico 88240
2. Lease: Drinkard (NCT-B) No. 1, Section 30-T22S-R38E, Unit P, Lea County, NM
3. Well History, Production History, Decline Curve and Latest Tests:

The Drinkard (NCT-B) No. 1, was drilled and completed as a Drinkard Oil well in 1945 through an open hole from 6425' to 6521'. The subject well was dualled in the Blinebry in 1956 by perforating, acidizing, and fracturing the interval 5482' to 5670'. Then in 1975 perforations from 6345' to 6417' were added in the Drinkard and frac stimulated.

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

4. Bottom-Hole Pressure Data: Tests taken 1-8-82

Blinebry: Datum - 3050' Pressure @ Datum 810 psi
Drinkard: Datum - 3050' Pressure @ Datum 750 psi

5. Fluid Characteristics:

Blinebry and Drinkard production is currently surface commingled on the Drinkard (NCT-B) Lease under Order No. PC383. 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	4	36.3	\$38.38	\$153.52
Drinkard	5	37.0	38.14	190.70
Total	9			\$344.22
Commingled	9	36.7	\$38.25	<u>\$344.25</u>
			Difference	\$ +0.03

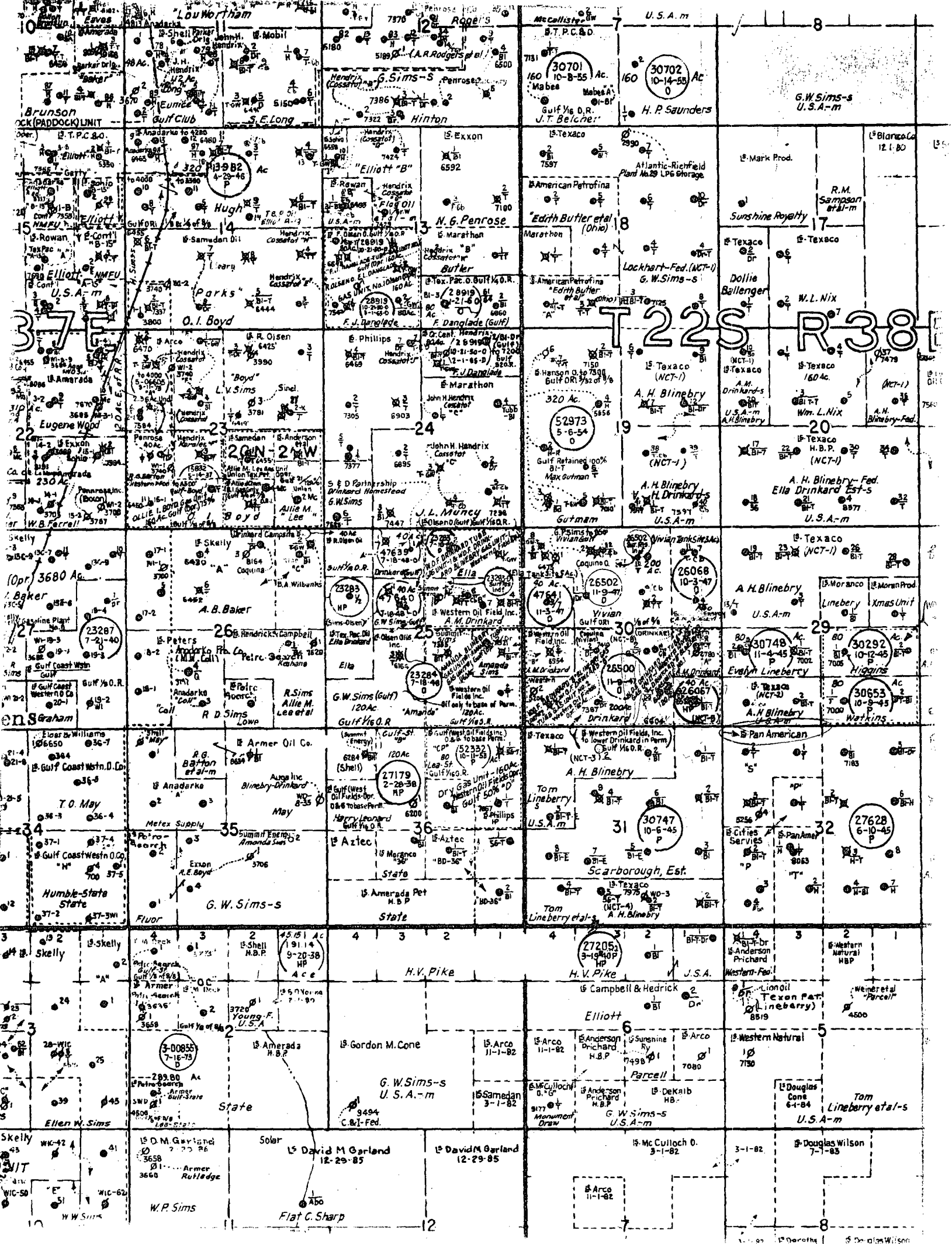
7. All offset operators have been notified by copy of the attached letters:
Summit Energy, Inc. 112 North 1st, Artesia, NM 88210; Texaco, Inc. P. O. Box 728
Hobbs, NM; Amoco Production Co., P. O. Box 68, Hobbs, NM 88240

Suggested allocation of production:

	<u>Oil</u>	<u>Gas</u>
Drinkard	50%	38%
Blinebry	50%	62%



The suggested allocation of produced hydrocarbons is based on the percentages of oil and gas produced on the latest C-116.



GAS-OIL RATIO TESTS

Operator		Pool		County											
Gulf Oil Corporation		Blinebry Oil and Gas		Lea											
Address		TYPE OF TEST - (X)		Completion ☐ Scheduled ☐		Special ☒									
Box 670, Hobbs, NM 88240															
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/2BL		
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.	GAS M.C.F.
Drinkard (NCT-B)	1	P	30	22	38	12-30-81 F	24/64	40	2	24	0	37.0	2	18.0	9,000
Prior to issuing CDH request (Gulf engineer Joe Clement)															

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 allowables when authorized by the Division.

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.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division 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.

A. C. Graham
(Signature)

Well Tester

(Title)

January 4, 1981

TYPE OF REPORT - (X)
Initial Completion
Special
General Survey

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-124
Revised 10-1-78

RESERVOIR PRESSURE REPORT

Operator Gulf Oil Corporation	Pool Blinebry	County Lea	Date 1-8-82											
Address BOX 670, Hobbs, N.M. 88240	Producing Formation Blinebry	Oil Gradient psi/ft.	Datum Plane -3050											
LEASE	WELL NO.	LOCATION U 3 T R	OIL OR GAS (G)	DATE TESTED	SHUT-IN TSG. PRESS.	BOMB TEST DATA				SONIC INSTRUMENT TEST DATA*				PRESS. AT DATUM
						TEST DEPTH	B.H. TEMP. °F	OB. SERVED PRESS.	PROD. TEST (BBLs./DAY)	LIQUID LEVEL	LIQUID GRAD. (Lb./ft. PSI)	WT. OF LIQUID COL. PSI	CSG. PRESS.	

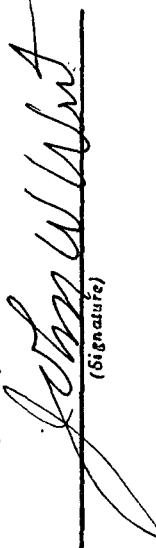
Drinkard "B"

1	P 30	22S38E	3380GL	1-8-82	48	681	5400	100°799									810
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All depths plus or minus sea level; all pressures psi; Bomb shall be calibrated frequently enough against a dead weight tester to ensure an accuracy of one per cent; gas gravity shall be determined by analysis; liquid level shall be feet above datum plane. SEE RULE 302.

* Well shall be produced at least 24 hours prior to shutting in for sonic test.

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


(Signature)

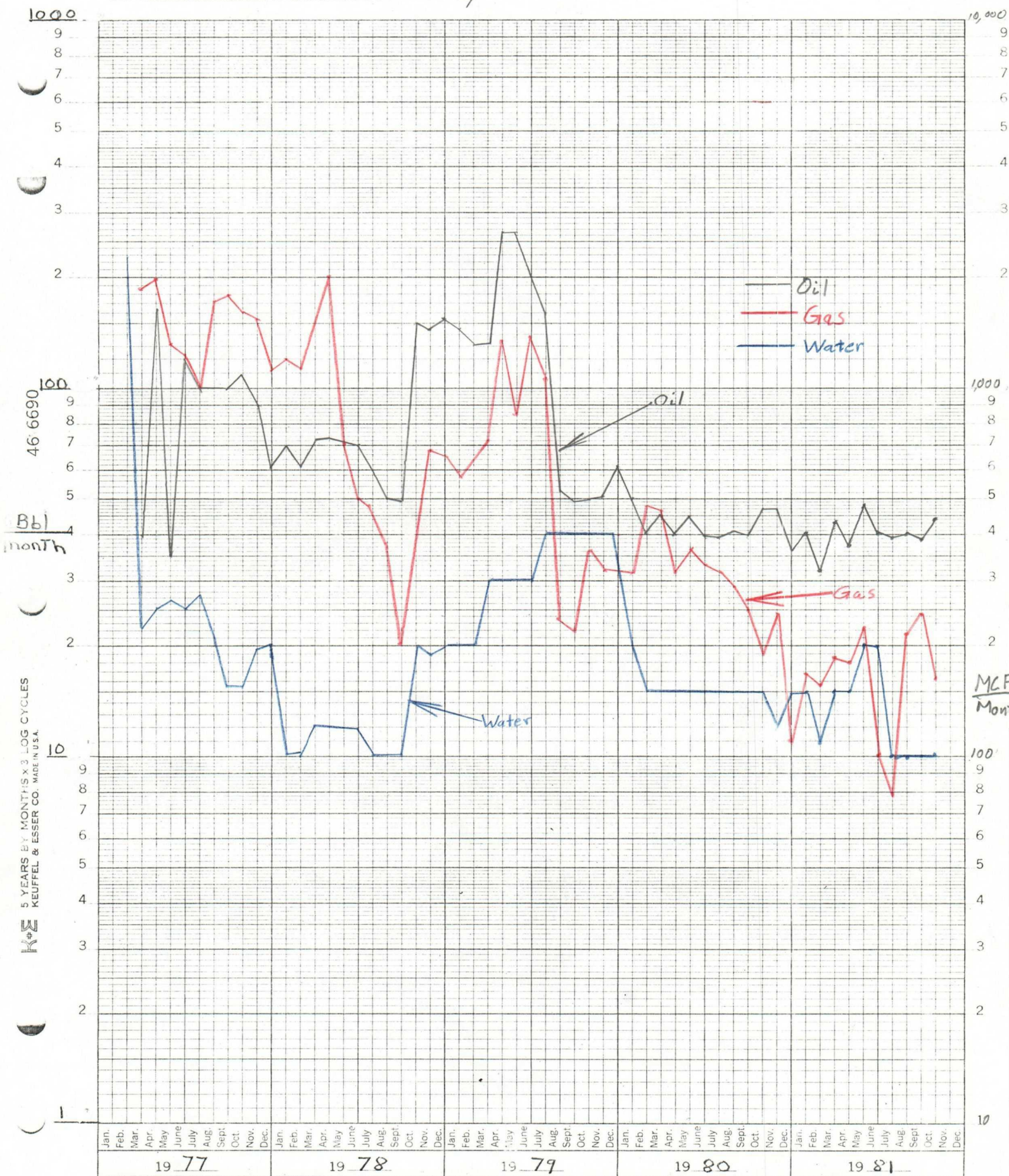
ENGINEER

(Title)

January 26, 1982
(Date)

Drinhard (NCT-B) #1

Blinebry Oil



GAS-OIL RATIO TESTS

Operator		County		Lea										
Gulf Oil Corporation		Drinkard												
Address		P. O. Box 670, Hobbs, NM 88240												
LEASE NAME	WELL NO.	LOCATION			DATE 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 BBLs.	GRAV. OIL		OIL BBLs.
Drinkard (NCT-B)	1	P	30	22	38	F 24/64	50	1	24	0	37.0	2	11.0	5,500
Request allowable increase.														

Completion ☐ Special ☒

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 allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.033 psia and a temperature of 60° F. Specific gravity base will be 0.80.

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 Division 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.

A. C. Graham

(Signature)

Well Tester

(Title)

February 5, 1982

(Date)

RESERVOIR PRESSURE REPORT

Operator		Pool		County		Date									
Gulf Oil Corporation		Drinkard		Lea		1-8-82									
Address		Producing Formation		Water Gradient		Datum Plane									
Box 670, Hobbs, N.M. 88240		Drinkard		psf/ft.		-3050									
LEASE	WELL NO.	LOCATION	OIL OR GAS (G)	DATE TESTED	SHUT-IN TSG. PRESS.	BOMB TEST DATA				SONIC INSTRUMENT TEST DATA*				PRESS. AT DATUM	
						TEST DEPTH	B.H. TEMP. °F	OB. SERVED PRESS.	PROD. TEST (BBLs./DAY)	LIQUID LEVEL	LIQUID GRADIENT PSI/FT.	WT. OF LIQUID COL. PSI	WT. OF GAS COL. PSI		CSC. PRESS.
	1	P 30 22S37E3380GL		1-8-82	486	6200	106°	674C							750

Drinkard "B"

All depths plus or minus sea level; all pressures psi; Bomb shall be calibrated frequently enough against a dead weight tester to ensure an accuracy of one per cent; gas gravity shall be determined by analysis; liquid level shall be feet above datum plane. SEE RULE 302.

* Well shall be produced at least 24 hours prior to shutting in for sonic test.

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

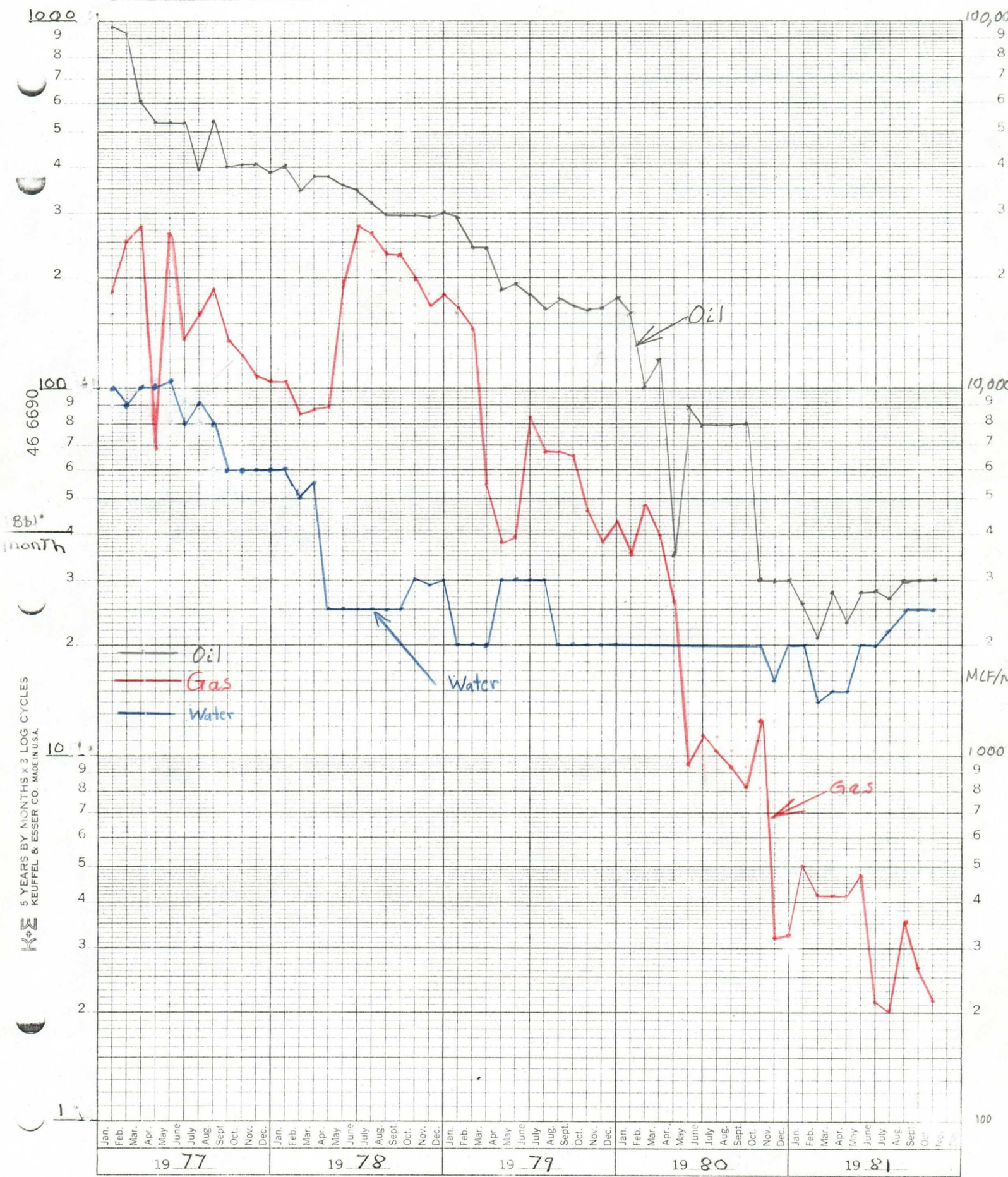
ENGINEER

JANUARY 26, 1982

(Title)

(Date)

Drinkard (NCT-B) #1
 Drinkard O.I

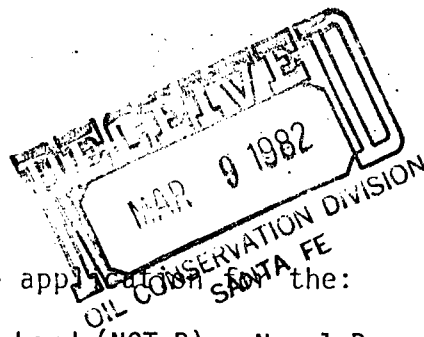


OIL CONSERVATION DIVISION
DISTRICT I

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE March 3, 1982

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



Gentlemen:

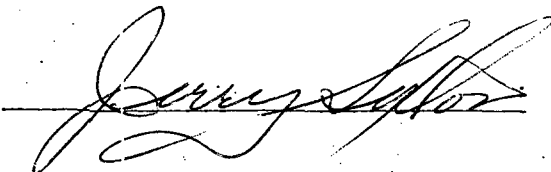
I have examined the application for the:

Gulf Oil Corp. Drinkard (NCT-B) No. 1-P 30-22-38
Operator _____ Lease and Well No. _____ Unit, S - T - R _____

and my recommendations are as follows:

O.K.----J.S.

Yours very truly,


/mc