

Gulf Oil Exploration and Production Company

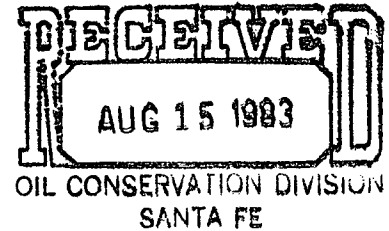
R. C. Anderson
PRODUCTION MANAGER,
HOBBS AREA

July 26, 1983

P. O. Box 670
Hobbs, NM 88240

Re: S. E. Cone #1
Section 26-T21S-R37E
Lea County, New Mexico

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

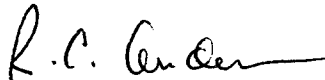


Gentlemen:

Your administrative approval is requested for an exception to Rule 303-C to permit down-hole commingling of Blinebry Oil and Drinkard Oil production in the subject well.

Please find enclosed all pertinent data regarding this application as outlined in Rule No. 303-C.

Yours very truly,


R. C. ANDERSON

DR/skc
Enclosures

cc: New Mexico Oil Conservation Division
District I Office
P. O. Box 1980
Hobbs, New Mexico 88240



A DIVISION OF GULF OIL CORPORATION

S. E. Cone #1
Section 26-T21S-R37E
Lea County, New Mexico

Approval is requested for an exception to Rule 303-C to permit down-hole commingling of the Blinebry Oil and Drinkard Oil in the subject well.

The S. E. Cone #1 was dually completed under Administrative Order DC-1050. Production from the two zones is currently surface commingled under Commingling Order PC-507.

The fluids show no evidence of incompatibility; therefore, down-hole commingling is not expected to result in reservoir damage. Ownership in the two pools is common and correlative rights will not be violated.

Currently, both zones are flowing. After down-hole commingling subject well will be equipped to pump.

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

Offset operators are being notified of the intent to down-hole commingle subject well by copy of this application.

OFFSET OPERATORS

ARCO Oil and Gas Co.
P. O. Box 1610
Midland, Texas 79702

Continental Oil Co.
P. O. box 460
Hobbs, New Mexico 88240

Exxon Co. U.S.A.
P. O. Box 1600
Midland, Texas 79702

Getty Oil Co.
Two Midland Nat'l Center
P. O. Box 1231
Midland, Texas 79702

Sun Oil Co.
P. O. Box 2880
Dallas, Texas 79702

1. Operator: Gulf Oil Corporation, P. O. Box 670, Hobbs, New Mexico 88240
2. Lease, Well and Location: S. E. Cone #1, 1980' FSL and 1980' FWL, Section 26, T21S-R37E, Lea County, New Mexico.
3. Producing Zones: Currently producing from a dual completion of the Drinkard and Blinebry pool.
4. Decline Curve: See attached graphs.
5. Bottom Hole Pressure: See attached C-124 forms.
6. Fluid Characteristics: The Drinkard and Blinebry fluids are currently commingled at the battery under Commingling Order PC-507. To date, there has been no evidence of fluid incompatibility.
7. Well History: The well was spudded 4-21-48, and drilled to a total depth of 6560'. Seven inch production casing was set at 6480' and six and one-quarter inch openhole was drilled to 6560'.

5-24-40 - the openhole was treated with 1000 gal 15% acid (Drinkard).

3-22-49 - the openhole was acidized with 2000 gal 15% acid (Drinkard).

5-18-61 to 5-22-61 - the gross interval 5800-5917' was perforated with 4- $\frac{1}{2}$ " JHPF, acidized with 8000 gal 15% NEA HCL, and fractured with gelled lease oil containing 1 to 3 lbs of sand per gallon of oil (Blinebry).

6-15-61 - subject well dually completed in the Blinebry and Drinkard.

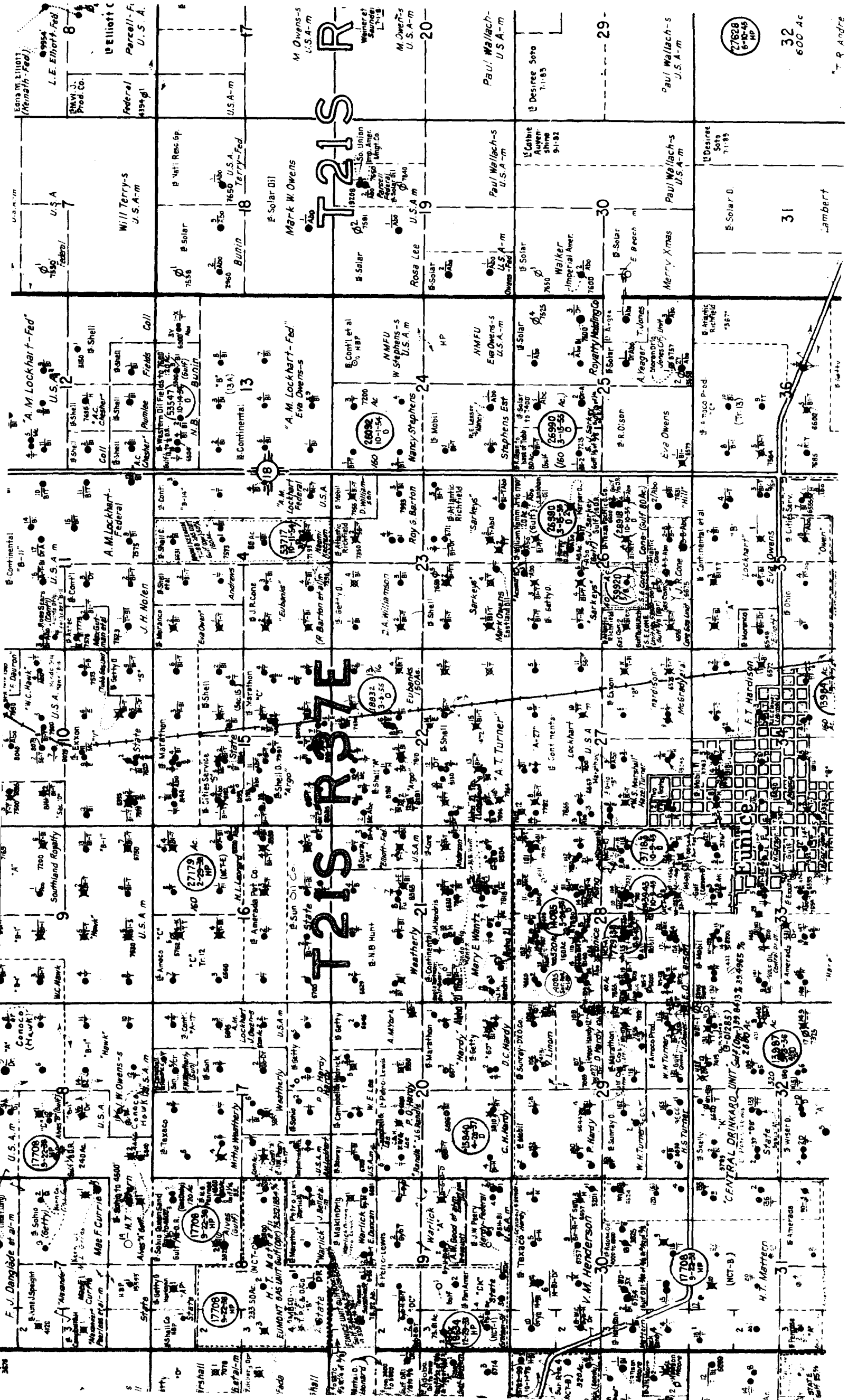
7-10-74 - Plugged back openhole with sand to 6470'. Perforated the gross interval 6370-6442' (Drinkard). Treated with 1200 gal 15% NEA and 21,000 gallons gelled water with 1 to 2 lbs. sand per gallon.
8. Value of Commingled Fluids: The Blinebry and Drinkard Zones are being commingled in surface storage facilities on the subject lease per order PC-507. Therefore, down-hole commingling will not effect the price.
9. Current Production: See attached State Form C-116.

SUGGESTED ALLOCATION

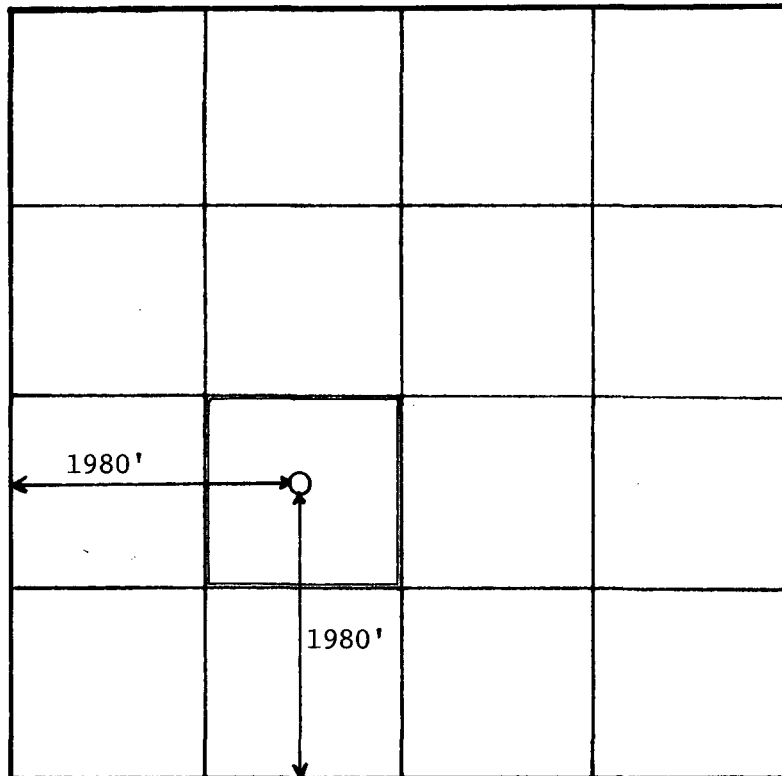
Blinebry: 5 BOPD, 1 BWPD, 160 MCFGPD } Average Production from Decline Curves
Drinkard: 3 BOPD, 0 BWPD, 40 MCFGPD }

The proposed allocation of oil and gas production per zone based on the attached decline curves is as follows:

	<u>Blinebry</u>	<u>Drinkard</u>
Oil	62%	38%
Gas	80%	20%



SECTION 26



S. E. Cone #1
1980' FSL & 1980' FWL
Section 26-T21S-R37E

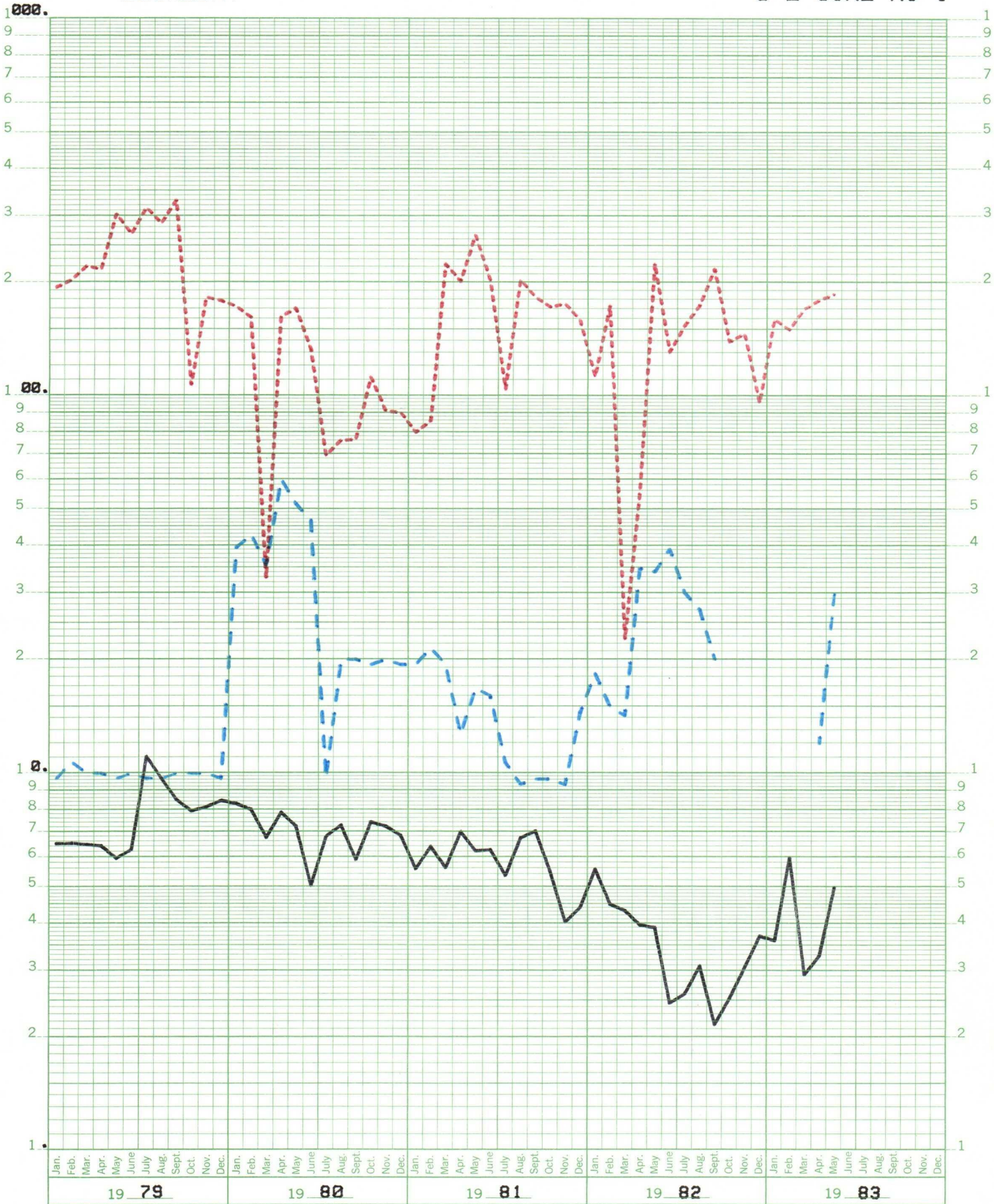
— Dedicated Acreage
Bliebry: 40 acres
Drinkard: 40 acres

BLINEBRY

S E CONE NO 1

46 6690

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



— OIL PROD. Bbls/Day.
Mult. Scale X 1

- - - WATER PROD. Bbls/Day.
Mult. Scale X .1

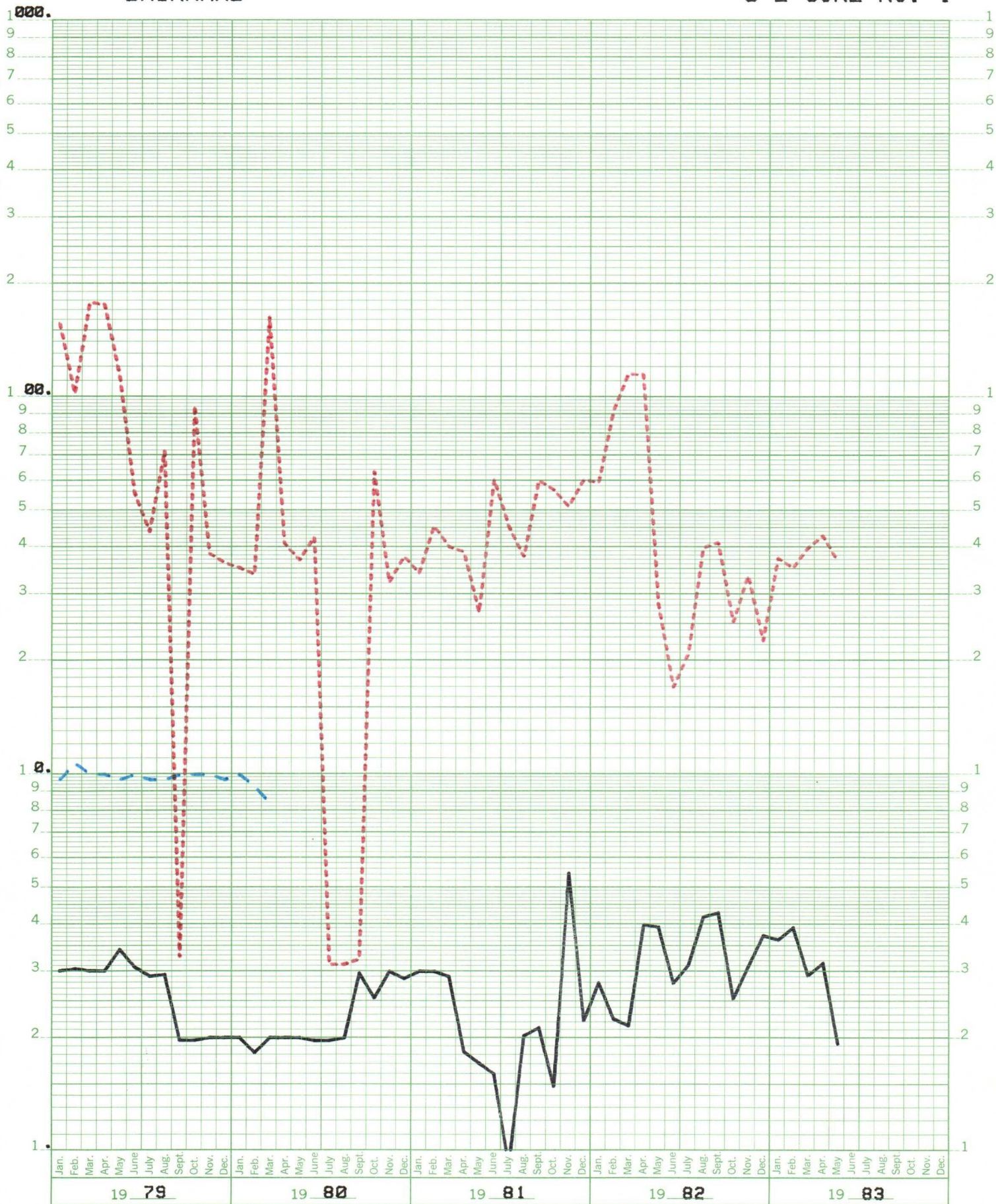
- - - GAS PROD. MCF/Day.
Mult. Scale X 1

DRINKARD

S E CONE NO. 1

46 6690

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



— OIL PROD. Bbls/Day.
Mult. Scale X 1

- - - WATER PROD. Bbls/Day.
Mult. Scale X .1

----- GAS PROD. MCF/Day.
Mult. Scale X 1

Operator						Pool							County		Date				
GULF OIL CORPORATION						DRINKARD							LEA		7-6-83				
Address						Producing Formation							Oil Gradient		Water Gradient		Gas Gravity		Datum Plane
P.O. BOX 670, Hobbs, New Mexico						DRINKARD									psi/ft.		psi/ft.		-3050
LEASE		WELL NO.	LOCATION			OIL OR GAS	ELEV.	DATE TESTED	SHUT-IN TEG. PRESS.	BOMB TEST DATA			SONIC INSTRUMENT TEST DATA*					PRESS. AT DATUM	
										TEST DEPTH	B.M. 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		CSG. PRESS.
U	S	T	R			(g)													
1	K	26	21	37	E	3446	0	7-6-83	48	161	6400	106°	532					565	
S.E. CONE																			

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 analysts; 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

 (Title)

Engineer

July 19, 1983 (Date)

GAS-OIL RATIO TESTS

Operator		Pool		County		Lea																	
Address		TYPE OF TEST - (X)		SCHEDULED		COMPLETION		SPECIAL															
LEASE NAME		WELL NO.		LOCATION		DATE OF TEST		CHOKE SIZE		TBG. PRESS.		DAILY ALLOWABLE		LENGTH OF TEST HOURS		PROD. DURING TEST		GAS - CUB. FT. PER M.C.F.					
S.E. CONE		1		K 2621		37		7-18-83		32 1/4		80		8		24		37.0		570		28,300	

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

During sea-wall 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 MCP measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report says drivers told of several injuries to men and women who jumped from bridges through cooling towers.

All 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 is
a true and complete to the best of my
knowledge and belief.

David Hicks
(Signature)

Engineer

(Tiller)

8/8/83

[illegible]

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

During sea-wall pile 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 Divulog.

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 Division in accordance with Rule 301 and appropriate pool rules.

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

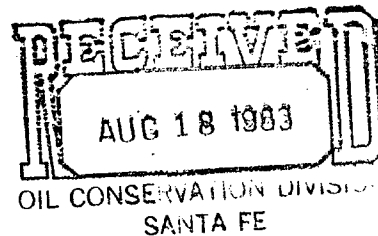
David R. Kelly

Engineer
(Signature)

8/8/83 (Tide)

[illegible]

OIL CONSERVATION DIVISION
DISTRICT I



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

DATE August 15, 1983

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

Gentlemen:

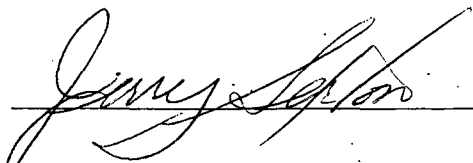
I have examined the application for the:

Gulf Oil Corp.	S. E. Cone	#1-K	26-21-37
Operator	Lease and Well No.	Unit, S - T - R	

and my recommendations are as follows:

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

Yours very truly,


/mc