

Gulf Energy and Minerals Company - U. S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

April 5, 1976

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STATION COPY
P. O. Box 670
Hobbs, New Mexico 88240

Mr. J. D. Ramey
N. M. Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Your administrative approval is requested to amend Administrative Order PC-38 (Amended) to permit the commingling of South Brunson Ellenburger oil with other production on our T. R. Andrews Lease comprising the E/2 of Sec. 32-T22S-R38E, Lea County, N. M. PC-38 (Amended) authorized commingling Blinebry oil, Drinkard oil, Blinebry condensate and Tubb condensate.

The South Paddock oil zone has been abandoned on our well No. 7 on this lease, and the well has been completed in the South Brunson Ellenburger oil zone. This well is now producing approximately 36 BOPD with a corrected gravity of 37.3° API. This will result in a negligible effect to the lease income (-\$0.18 per day) due to commingling this zone with the other commingled zones.

All production going into this installation will remain marginal in nature; and, in accordance with Administrative Order PC-38 (Amended), the production for each pool will continue to be allocated on the basis of quarterly well tests.

Your early consideration of this matter will be appreciated.

Yours very truly,

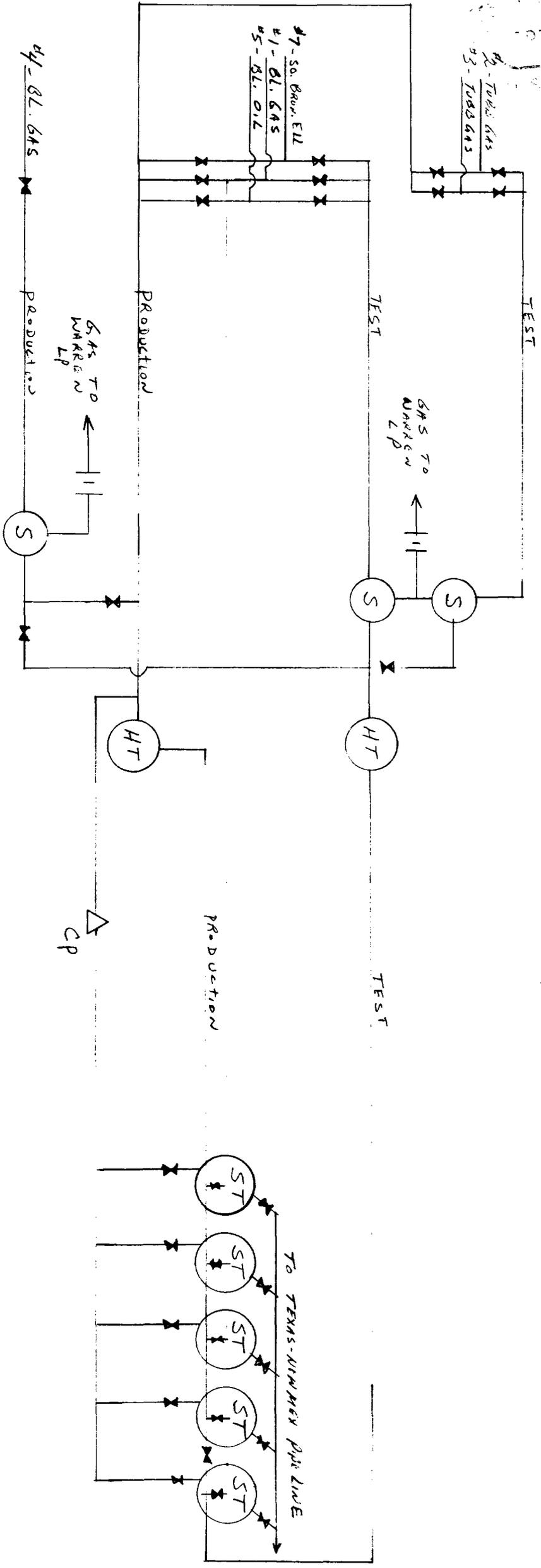


C. D. BORLAND

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GULF OIL CORPORATION
 T. R. ANDREWS LEASE
 SCHEMATIC DIAGRAM - PROPOSED COMINGLING
 SO. BRUNSON ELL, & BLINBERRY OIL, BLINBERRY & TUBB CONDENSATES