

2

GULF OIL CORPORATION
P. O. BOX 2167
Hobbs, New Mexico

November 29, 1962

10-115

Re: Naomi Keenum Lease,
Section 14-21S-37E,
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Dear Sir:

Gulf recently opened the Drinkard oil pay in its Naomi Keenum No. 1, which already produces from the Terry Blinebry Oil Pool. Under Oil Conservation Commission Order No. MC-1244 the well is being dually completed in these two pools. This is the only Drinkard production on the Keenum Lease and Gulf would like to commingle the Drinkard and Terry Blinebry crude oils to eliminate the need for an additional tank battery.

Gulf hereby seeks administrative approval from the Oil Conservation Commission to commingle the Drinkard and Terry Blinebry crude oil production on the Naomi Keenum Lease. Attached is a schematic diagram of the proposed installation along with a plat of the Keenum Lease. Gulf proposes to measure and sample the Drinkard production prior to commingling the oils at the treating system. The Terry Blinebry production will be determined by the subtraction method in accordance with the "Manual for the Installation and Operation of Commingling Facilities".

The following tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from the individual pools as well as the commingled production:

<u>Pool</u>	<u>Bbl/day</u>	<u>Gvty</u>	<u>\$/Bbl.</u>	<u>Bbl/day x \$/Bbl.</u>
Drinkard	66	39.4	\$2.99	\$ 197.34
Terry Blinebry	83	39.1	2.99	248.17
				<u>\$ 445.51</u>
Commingled	149	39.2	2.99	\$ 445.51

The actual commercial value of the commingled production will be the same as the sum of the values of the production from the individual pools.

This commingling proposal is in the interest of conservation in that it prevents unnecessary waste.

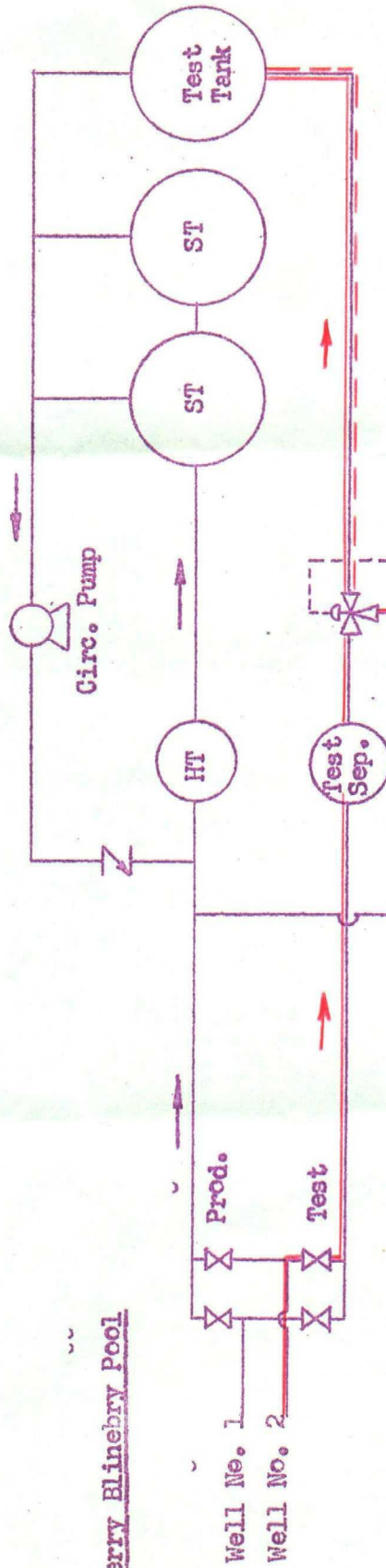
Yours very truly,

C. D. Borland
C. D. BORLAND
Area Production Manager

DGB:ptg
Att'd.

cc: D. L. Williams, Denver
Oil Conservation Commission, Hobbs

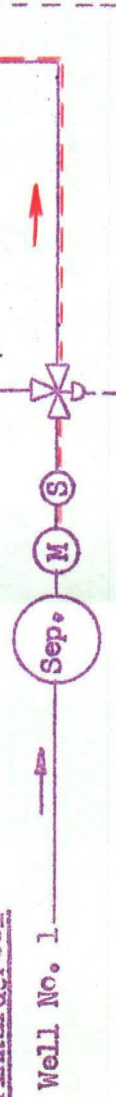
Terry Blinebry Pool



Solid red line indicates path followed by production from Terry Blinebry well while on test.

Dashed red line indicates path followed by production from Drinkard well while meter being proved.

Drinkard Pool



SCHEMATIC DIAGRAM
Proposed Commingling Installation
Gulf Oil Corporation's Naomi Keenum Lease

T. 20 S. - R. 38 E.

