

GULF OIL CORPORATION
P. O. BOX 570
Hobbs, New Mexico

December 15, 1963

MAIL ROOM 020

1963 DEC 15 AM 10:19

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Administrative Order No. PC-161 granted authority to commingle Blinebry and Drinkard oil production on Gulf's W. T. McCormack Lease. In view of anticipated top allowable production from Well No. 15-BL, authority to commingle was granted with the stipulation that the Blinebry oil production be metered prior to commingling with the Drinkard. Subsequent production history has shown that Well No. 15-BL is not capable of top allowable.

The following tabulation shows the marginal producing status of all wells to be commingled:

Pool	Well No.	October, 1963		November, 1963	
		Bbls. Oil	BOPD	Bbls. Oil	BOPD
Drinkard	7	124	4.0	210	7.0
Drinkard	9	Closed In - No allowable			
Drinkard	10	Closed In - No Allowable			
Drinkard	13	217	7.0	200	6.7
Drinkard	14	235	7.6	202	6.7
Drinkard	16	75	2.4	90	2.8
Blinebry	12*	Closed In - will put on pump			
Blinebry	15**	715	22.1	584	19.5

*This well has been shut in since May 1962. During its producing days from September 1961 - April 1962, well averaged pumping 13 bopd.

**This well was put on pump December 10, 1963. Production for the 5 day period ending December 16, 1963 averaged 23.6 bopd.

In view of the marginal status of the above wells, it is respectfully requested that permission be granted to commingle oil production from the Blinebry and Drinkard Pools without metering, with production to be allocated on the basis of well tests.

Yours very truly,


C. D. FORLAND
Area Production Manager

CRK:ptg

cc: Oil Conservation Commission, Hobbs, N.M.
H. I. Taylor, Roswell, N.M.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 2, 1963

COPY
Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico

Attention: Mr. C. D. Borland

Administrative Order PC-161

Gentlemen:

Reference is made to your application dated September 30, 1963, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of production from the Blinebry and Drinkard Oil Pools on your W. T. McCormack Lease comprising the E/2 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico, after separately metering the production from the Blinebry Oil Pool and determining the Drinkard production by means of the subtraction method.

Y
By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are further requested to notify the Hobbs District Office of the Commission at such time as this installation is complete in order that a field inspection may be made of the installation prior to putting it in operation.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSM/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs

GULF OIL CORPORATION
P. O. BOX 670
Hobbs, New Mexico

MAIN OFFICE OCC

September 30, 1963

1963 SEP 30 AM 8:17

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Gulf has completed its W. T. McCormack No. 15 in the Elinebry Oil Pool. Well No. 12 was completed in the Elinebry Oil Pool but has been shut in. Gulf proposes to commingle the Elinebry and Drinkard crude oil production to eliminate the need for additional treating and storage facilities.

Gulf hereby seeks administrative approval from the Oil Conservation Commission to commingle the Elinebry and Drinkard crude oil production on the W. T. McCormack Lease. Attached is a schematic diagram of the proposed installation along with a plat of the W. T. McCormack Lease. Since McCormack Well No. 15 will be a top allowable well, separate measuring facilities will be employed to determine the production of the Elinebry Oil prior to commingling.

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>Bbls/Day</u>	<u>Grvty</u>	<u>\$/Bbl.</u>	<u>Bbl/Day x \$/Bbl.</u>
Drinkard	29	35.7	\$2.91	\$ 84.39
Elinebry	59	36.8	\$2.93	\$172.87
				\$257.26
Commingled	88	36.6	\$2.93	\$257.84

Shell Pipeline Corporation, by letter dated September 25, 1963, has agreed to purchase the commingled production.

The actual commercial value of the commingled production will be slightly more than the sum of the values of the production from the individual pools.

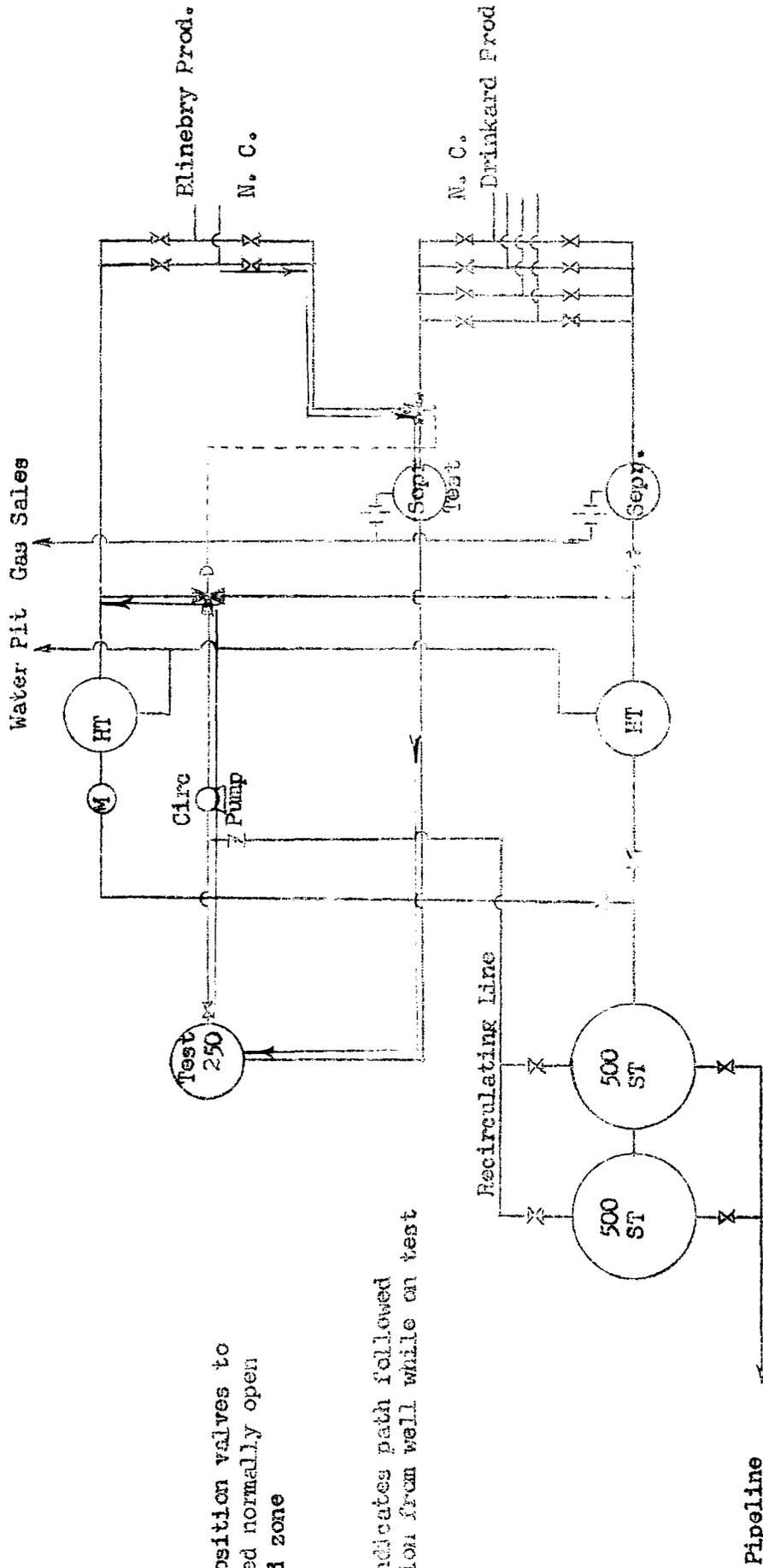
This commingling proposal is in the interest of conservation in that it prevents unnecessary waste.

Yours very truly,

C. D. BORLAND
Area Production Manager

EKW:ptg

cc: Oil Conservation Commission, Hobbs, N.M.
R. M. Wiese, Midland, Texas



3 Way 2 Position valves to be connected normally open to Drinkard zone

Red line indicates path followed by production from well while on test

SCHEMATIC DIAGRAM
 PROPOSED COMMINGLING INSTALLATION
 W. T. MCCORMACK LEASE

