

GULF OIL CORPORATION
P. O. BOX 670
Hobbs, New Mexico 88240

July 1, 1969

MAIN OFFICE (00)

JUL 2 2 24 PM '69

Re: Drinkard (NCT-B) Lease
NE/4 SW/4, S/2 SW/4,
W/2 SE/4, Section 30-22S-38E,
Lea County, New Mexico

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Sir:

Your administrative approval is requested to commingle the Drinkard and Klinebry Oil Pools on the subject lease.

All wells proposed to be commingled are marginal. The lease ownership is common, and the proposed facilities are in accordance with existing rules and regulations. This is a fee lease and does not require the approval of the State Land Commissioner. There will be a negligible effect to lease income due to the commingling.

Attached you will find the following:

1. Lease plat.
2. Schematic diagram of the proposed facilities.
3. Letter from the purchaser agreeing to buy the commingled oil.
4. 61 day production record and an economic analysis of the proposed commingling.

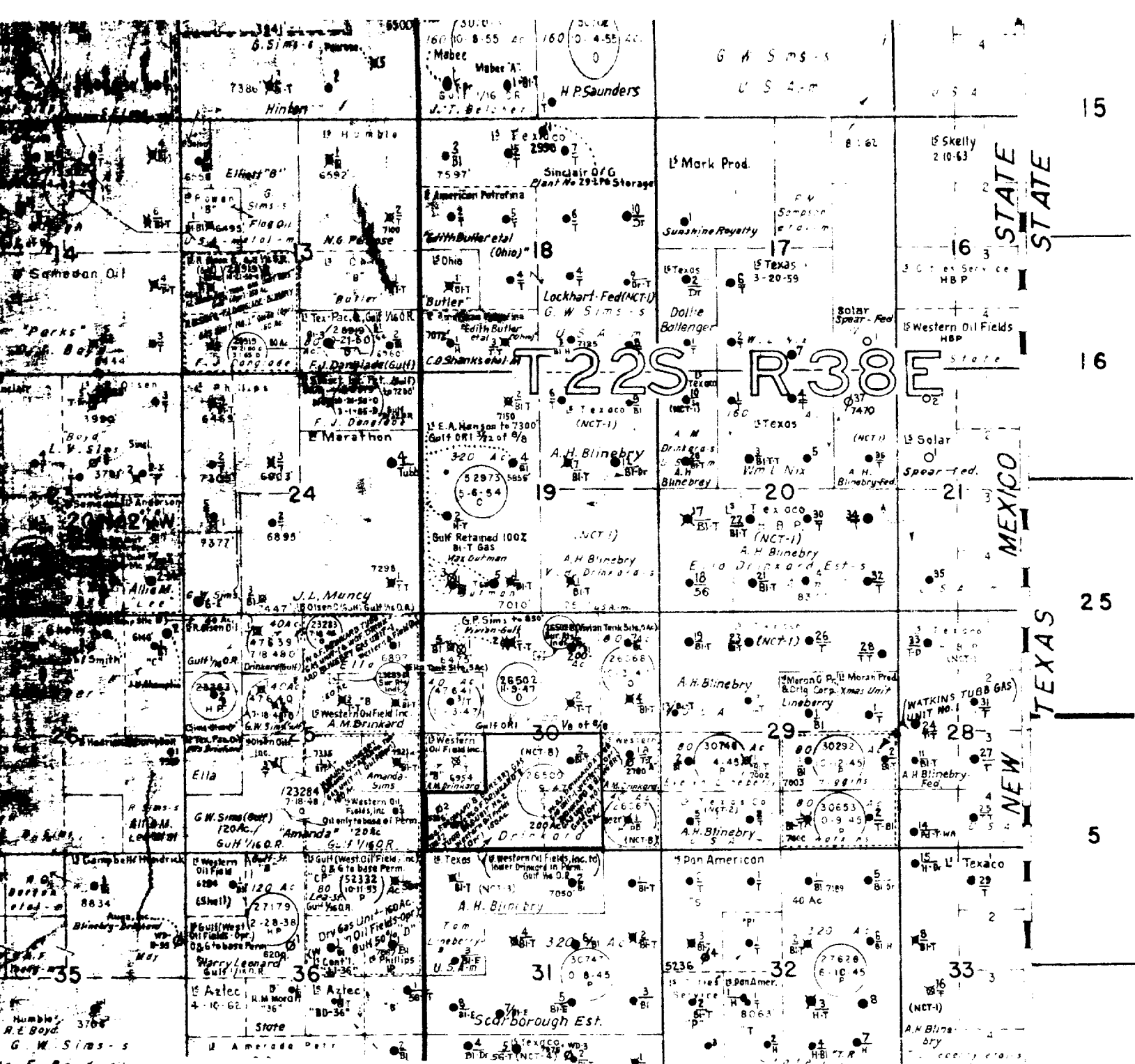
Your early approval of this matter would be appreciated.

Yours very truly,


C. D. BORLAND
Area Production Manager

RCS:mtg
Att'd.

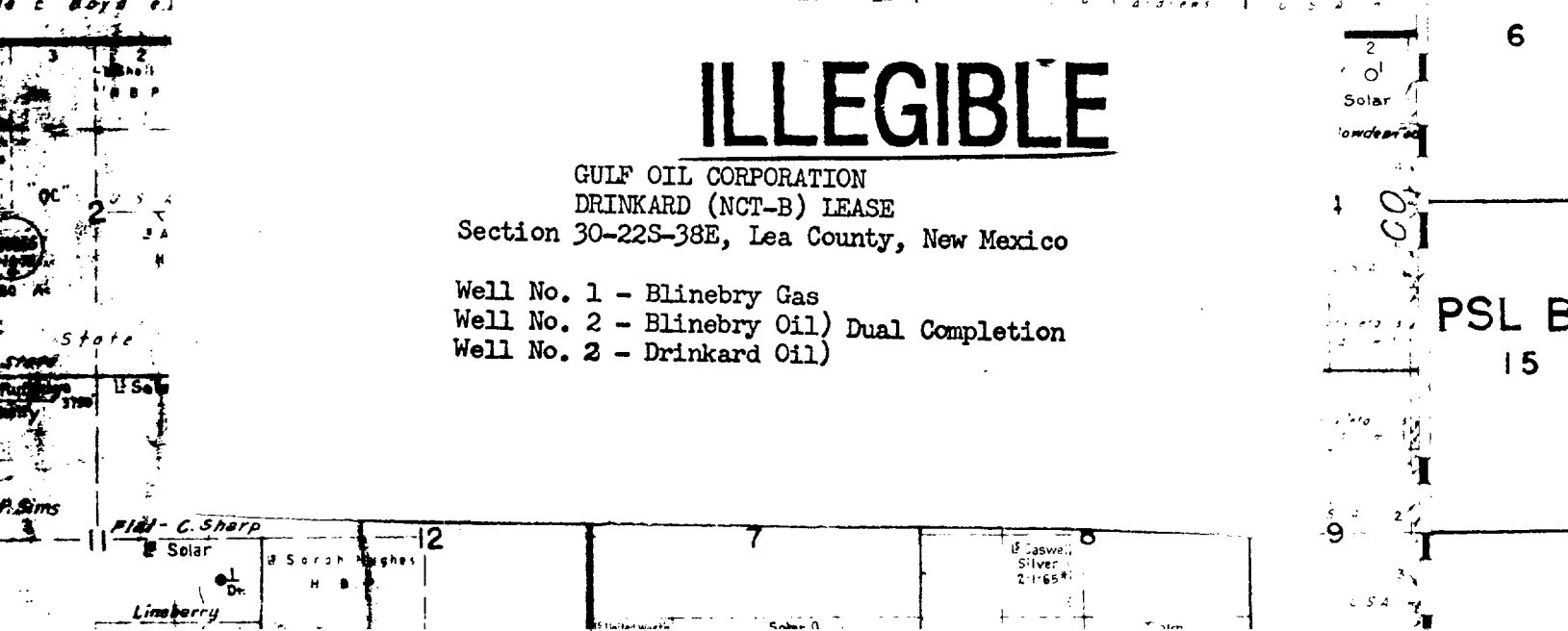
cc: Oil Conservation Commission, Hobbs, N.M.
M. I. Taylor, Roswell, N.M.
C. W. Friggs, Midland, Texas

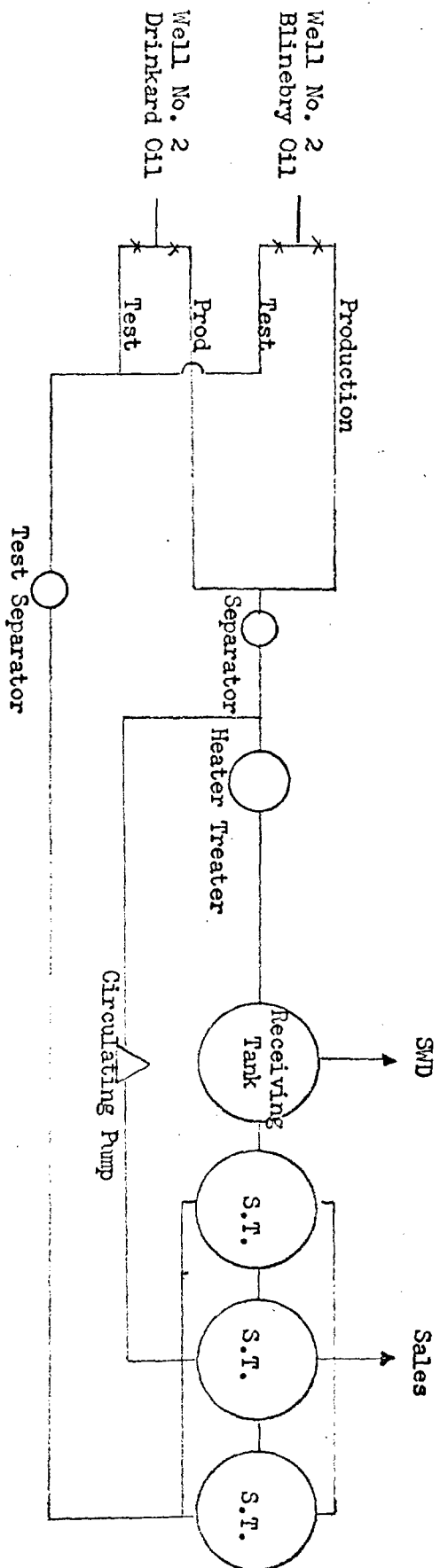


ILLEGIBLE

GULF OIL CORPORATION
DRINKARD (NCT-B) LEASE
Section 30-22S-38E, Lea County, New Mexico

Well No. 1 - Blinebry Gas
Well No. 2 - Blinebry Oil) Dual Completion
Well No. 2 - Drinkard Oil)





SCHEMATIC DIAGRAM - COMMINGLING INSTALLATION
 GULF OIL CORPORATION
 DRINKARD (NCT-B) LEASE



PETROLEUM PRODUCTS

CRUDE OIL PURCHASES & SALES DIVISION (DOMESTIC)

W. L. EWELL
MANAGER
T. J. SAVAGE
REPRESENTATIVE

TEXACO INC.
P. O. BOX 3109
MIDLAND, TEXAS 79701

June 25, 1969

Gulf Oil Corporation
Drinkard "B" Lease
Lea County, New Mexico
COP&S Nos. 55-580 & 55-1571

Gulf Oil Company - U. S.
P. O. Box 670
Hobbs, New Mexico 88240

Attention: Mr. C. D. Borland

Gentlemen:

In reply to your letter dated June 17, 1969, Texaco Inc.
is agreeable to purchasing the commingled production from the
Drinkard and Blinebry oil fields on your Drinkard "B" lease.

If additional information is required, please advise.

Very truly yours,

T. J. Savage
T. J. Savage

TJS:FMK

CC: Mr. C. W. Briggs, Gulf Oil Co., Midland
Mr. W. L. Ewell

GULF OIL CORPORATION
 DRINKARD (NCT-B) LEASE
 Section 30-22S-38E, Lea County, N.M.

61 Day Production Record

<u>Well No.</u>	<u>Pay</u>	<u>March, 1969</u>	<u>April, 1969</u>	<u>Total</u>	<u>Avg. B/D</u>
2	Bliebry	501	502	1,003	16
2	Drinkard	373	357	730	<u>12</u>
					28

<u>Pay</u>	<u>B/D</u>	<u>Gravity</u>	<u>\$/Barrel</u>	<u>\$/Day</u>
Bliebry	16	39.1	\$3.33	\$53.28
Drinkard	<u>12</u>	42.1	\$3.35	<u>\$40.20</u>
Total	28			\$93.48
Commingled	28	40.4	\$3.35	\$93.80
Gain				\$00.32

RCS:ptg
 Hobbs, N.M.
 7-1-69