

Gulf Oil Exploration and Production Company

May 2, 1978

C. D. Borland
PRODUCTION MANAGER, HOBBS AREA

P. O. Box 670
Hobbs, NM 88240

Re: Drinkard (NCT-B) Lease
Section 30-T22S-R38E,
Lea County, New Mexico

Mr. Joe D. Ramey
State of New Mexico Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Dear Sir:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject lease, Gulf hereby seeks an amendment to Administrative Order PC 383. This amendment will allow Gulf to commingle newly developed Wantz Abo oil with the commingled Blinebry and Drinkard Production as authorized by the previously mentioned Administrative Order. None of the wells producing from the above pools are capable of producing top allowable and will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities, and monetary values of the liquid hydrocarbons from separated as well as proposed commingled production. The tabulation also shows total average daily production for a recent ninety (90) day period. The calculated revenue from the commingled production will be approximately \$13.32 per day more than the total revenue from the individual pools.

Also attached are a lease plat and a schematic diagram of the proposed commingled facilities to store the Blinebry, Drinkard and Wantz Abo production for the subject lease. Texaco Inc. has agreed to purchase the commingled oil as proposed herein.

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

Yours very truly,

C. D. Borland

C. D. BORLAND

Attachments
MDW/dch

cc: Energy & Minerals Department, Oil Conservation Division, Box 1980, Hobbs, NM 88240
Proration Unit, Gulf Oil Exploration and Production Company, Midland
Gene Cox, Gulf Oil Exploration and Production Company, Midland



PRODUCTION

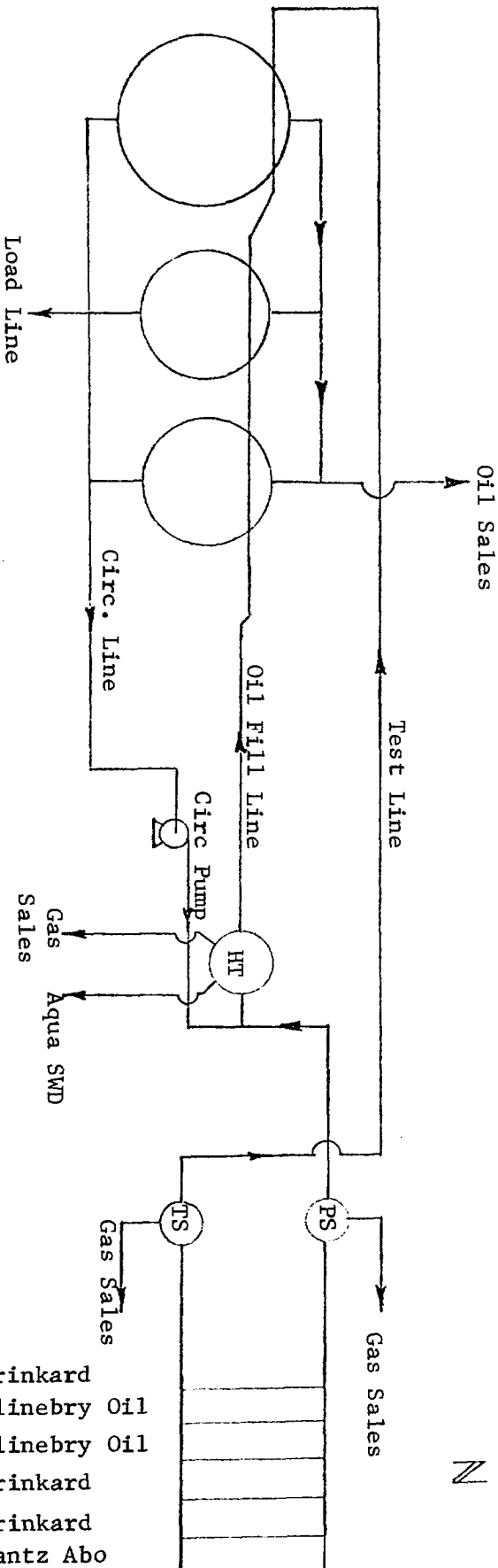
<u>Well No.</u>	<u>Pool</u>	<u>Jan. 78</u>	<u>Feb. 78</u>	<u>Mar. 78</u>	<u>Total</u>	<u>Avg. BPD</u>
1, 2	Blinebry*	483	410	482	1375	15.3
1, 2, 3	Drinkard*	801	641	730	2172	24.1
6	Wantz Abo**					27

* Approved Commingled Production (Administrative Order PC-383)

** Test Production

<u>Pool</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Blinebry	15.3	40.5	14.85	227.21
Drinkard	24.1	40.5	10.89	262.45
Wantz Abo	27	35.9	12.60	<u>340.20</u>
Total Separated	66.4			829.86
Total Commingled	66.4	38.6	12.51	843.18
Difference				+ 13.32

GULF OIL CORPORATION
 PROPOSED COMINGLED TANK BATTERY - DRINKARD (NCT-B) LEASE
 DRINKARD, BLINEBRY OIL, AND WANTZ ABO POOLS
 SECTION 30, T-22-S, R-38-E
 LEA COUNTY, NEW MEXICO



- #1 Drinkard
- #1 Blinebry Oil
- #2 Blinebry Oil
- #2 Drinkard
- #3 Drinkard
- #6 Wantz Abo

