

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT

HOBBS AREA

June 5, 1974

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box 670
Hobbs, New Mexico 88240

Mr. A. L. Porter
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Gulf Oil Corporation requests your administrative approval for an exception to Rule 303-A to permit surface commingling of the Hobbs Blinebry and Bowers Seven Rivers production on our W. D. Grimes (NCT-A) lease, comprising the W/2, Section 32, 18-S, 38-E. There are five wells on this lease producing from the Hobbs Blinebry zone and three wells producing from the Bowers Seven Rivers Pool and all wells are marginal. Production would be allocated based on periodic well tests.

The following tabulations show the average daily production of each well for April and May, 1974, gravities and monetary values of the liquid hydrocarbons from each well and pool, as well as the commingled production.

Pool	Well No.	Bbls/day	Gravity	\$/bbl	Bbls/day X \$/bbl
Hobbs Blinebry	16	68	34.3	5.08	\$ 345.44
"	17	49	34.3	5.08	\$ 248.92
"	18	58	34.3	5.08	\$ 294.64
"	19	7	34.7	5.08	\$ 35.56
"	20	6	34.7	5.08	\$ 30.48
Bowers Seven Rivers	11	6	39.1	5.18	\$ 31.08
"	13	5	38.7	5.16	\$ 25.80
"	14-Y	4	39.0	5.18	\$ 20.72
				Total	\$1,032.64
Commingled:	203	34.7	\$5.08		\$1,031.24

You will notice from the tabulations that the actual commercial value of the commingled production will be slightly lower (\$1.40/day) however we believe this would be insignificant compared to separate storage facilities.

Attached is a plat of the lease and also a schematic diagram of the proposed installation.

Your early consideration in this matter will be appreciated.

Yours truly,

C. D. Borland
C. D. BORLAND

lwd:
Att'd



cc: NMOCC, Hobbs
J. L. Pike
C. W. Briggs

Gulf Oil Corporation
W. D. Grimes (NCT-A) Lease
W/2, Section 32, 18-S, 38-E



