

Gulf Oil Company - U.S.

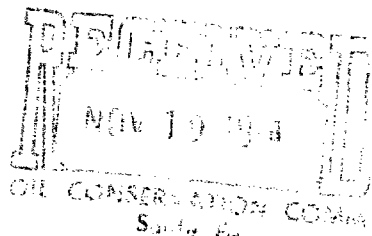
PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

November 15, 1974

P. O. Box 670
Hobbs, New Mexico 88240

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. 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 Blinebry Oil, Drinkard, Wantz Granite Wash, Blinebry Gas condensate and Tubbs Gas condensate production on our Alice Paddock Lease, comprising the E/2 of Section 1-22S-37E, Lea County, New Mexico.

At the present time there are two wells producing from the Blinebry Oil Pool, one Drinkard and one Wantz Granite Wash, two Blinebry gas condensate and two Tubbs gas condensate, and all wells are marginal. Production will be allocated on the basis of periodic well tests.

This is fee land and approval of the State Land Commissioner is not required.

The attached tabulations show the average daily production for a 61-day period, except for the Drinkard and Wantz Granite Wash Pools. Well No. 6 is a recently drilled dual completion in the Drinkard and Wantz Granite Wash Pools. Stabilized pumping production from the Wantz Granite Wash Pool based on a completion test conducted on November 3, 1974 was 36 bopd and 4 bwpd. Stabilized pumping production from the Drinkard Pool based on a completion test conducted on November 11, 1974 was 42 bopd and 3 bwpd. You will notice from the tabulations that the actual commercial value of the commingled production will be slightly higher (\$0.70 per day).

Attached is a plat of the lease as well as a schematic diagram of the proposed installation.

Your early consideration of this application will be appreciated.

Yours very truly,

C. D. BORLAND

CRK:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.

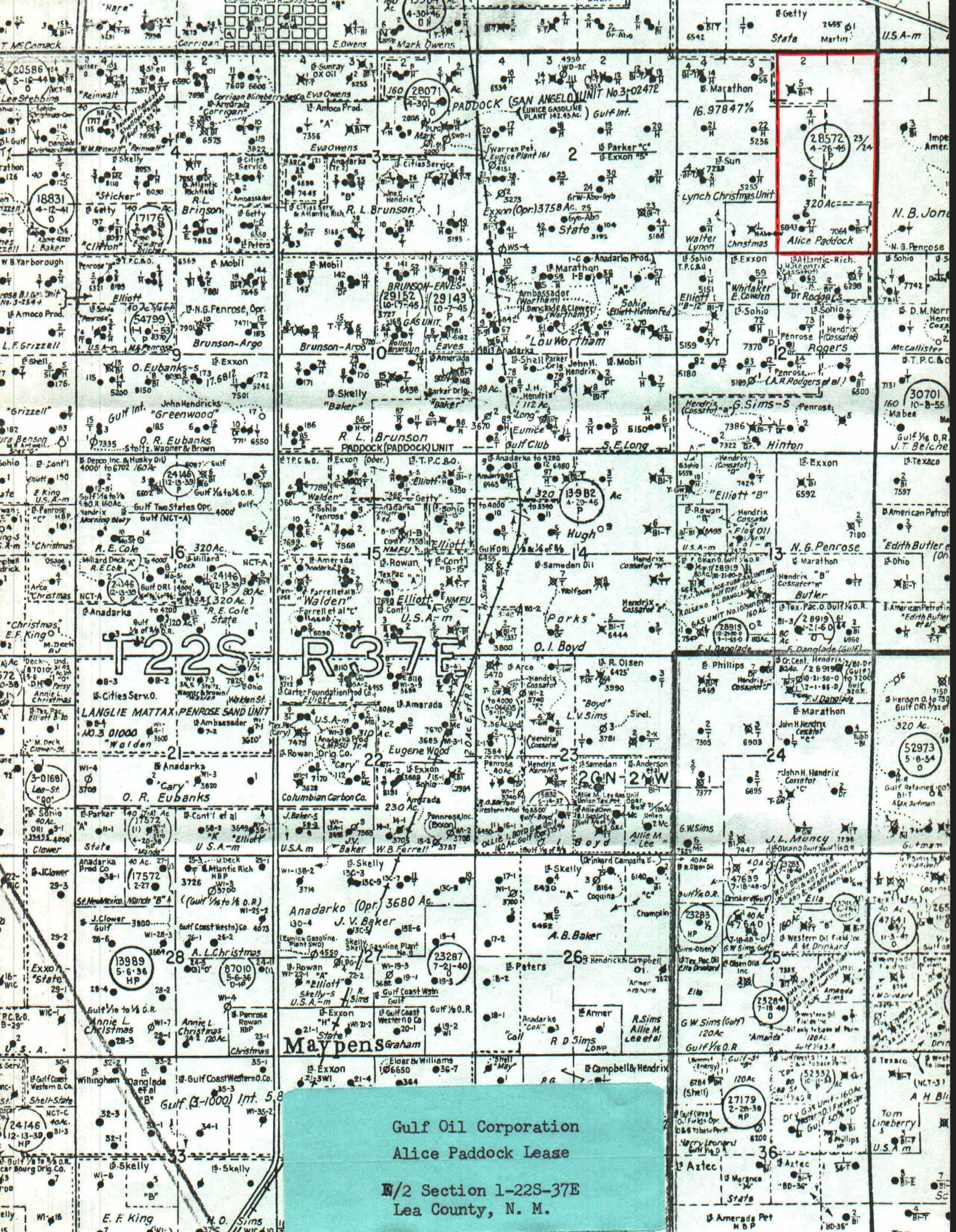


GULF OIL CORPORATION

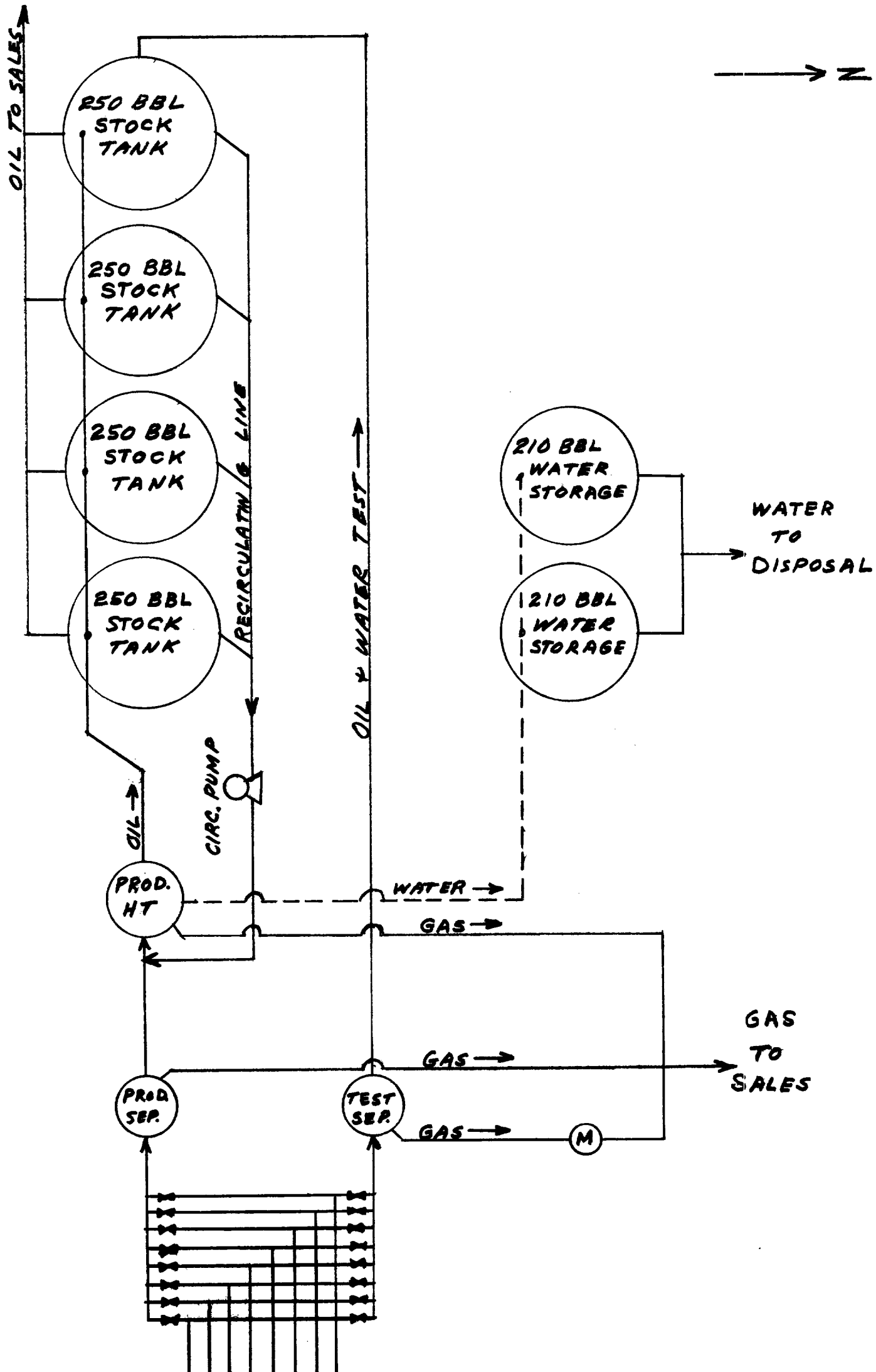
Alice Paddock Lease

Production Data

<u>Pool</u>	<u>Bbls/Day</u>	<u>Corr. Gravity</u>	<u>\$/Bbl.</u>	<u>Bbls/day x \$/bbl.</u>
Blinebry Oil	11.69	37.2	\$11.10	\$ 129.76
Blinebry Gas Cond.	8.98	45.0	11.16	100.22
Tubb Gas Cond.	17.03	44.8	11.16	190.05
Drinkard	42.00	41.8	11.16	468.72
Wantz Granite Wash	36.00	40.1	11.16	<u>401.76</u>
TOTAL				\$1,290.51
Commingled	115.70	41.5	\$11.16	<u>\$1,291.21</u>
DIFFERENCE			Plus	\$ 0.70 per day



GULF OIL CORPORATION
 Alice Paddock Lease
 Proposed Commingled Tank Battery
 Blinebry Oil, Drinkard, Wantz Granite Wash, Blinebry Gas & Tubb Gas Pools



Blinebry Oil, Drinkard, Wantz Granite Wash, Blinebry Gas & Tubb Gas Flow Lines