

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT

HOBBS AREA

February 27, 1975

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 Drinkard and Wantz Granite Wash production on our Ella lease, described as the N/2 NE/4, Section 25, 22-S, 37-E, Lea County. At the present time there is one dual completed well on this lease which produces from the Drinkard and Wantz Granite Wash Pools and both zones are marginal. Production would be allocated based on periodic well tests.

The following tabulations show the average daily production of each pool for December, 1974 and January, 1975, gravities and monetary values of the liquid hydrocarbons from each pool as well as the commingled production.

Pool	Bbls/day	Gravity	\$/bbl	Bbl/day X \$/bbl
Drinkard	3	61.9	11.56	\$ 34.68
Wantz Granite Wash	17	39.4	11.54	\$196.18
			Total	\$230.86
Commingled	20	42.8	11.56	\$231.20

You will notice from the tabulations that there will be no appreciable change in the value of the commingled production.

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

Your early consideration will be appreciated.

Yours truly,

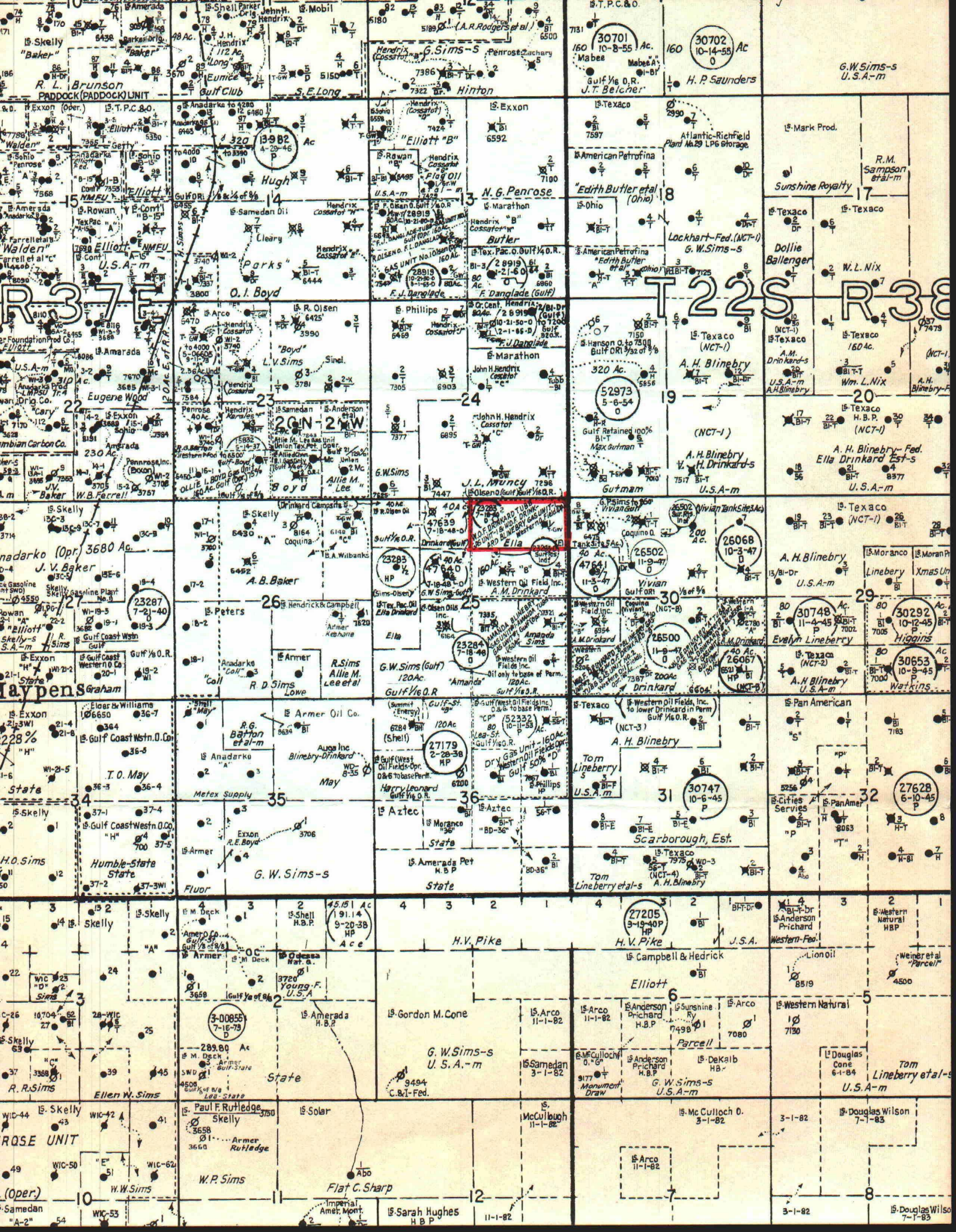


C. D. BORLAND

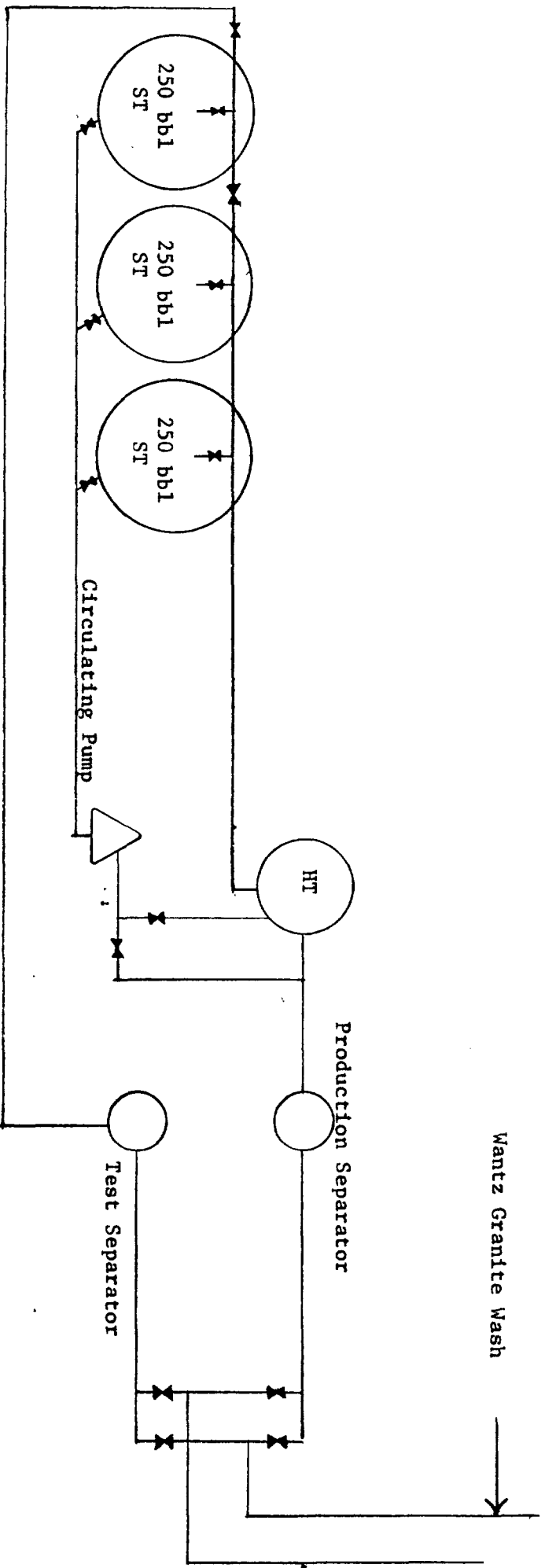
lwd:
Att'd.
cc: NMOCC, Hobbs
J. L. Pike
C. W. Briggs



A DIVISION OF GULF OIL CORPORATION



GULF OIL CORPORATION
ELLA LEASE



Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box 670
Hobbs, New Mexico 88240

May 7, 1975

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

*File
PC-509*

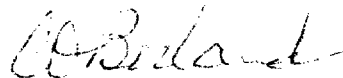
Gentlemen:

Commingling Order PC-509 authorized commingling the Drinkard and Wantz Granite Wash production on our Ella lease, comprising the N/2 NE/4, Section 25, 22-S, 37-E, Lea County, with the production to be allocated by periodic well tests, since both zones were marginal. Subsequently well No. 2 was drilled and dual completed in the Drinkard and Wantz Granite Wash zone with the Wantz Granite Wash being capable of producing top pool allowable.

In view of the above and to comply with Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities" metering equipment will be installed on well No. 2, Wantz Granite Wash pool as soon as equipment is available.

If additional information is needed, please advise.

Yours truly,



C. D. BORLAND

lwd:
cc: NMOCC, Hobbs

