

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

May 23, 1975

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 commingling of the Drinkard and Paddock production on our E. A. Sticher Lease, comprising the SE/4 of the SW/4 of Section 4-22S-37E, Lea County, New Mexico.

At the present time there is one well producing from the Drinkard Pool and one well producing from the Paddock Pool. Both 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 the 61-day period for March and April, 1975. You will notice from the tabulations that the actual commercial value of the commingled production will be slightly lower (\$0.25 per day).

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

Your early reply to this application will be appreciated.

Yours very truly,



C. D. BORLAND

CRK:ptg
Att'd.

cc:A. J. Evans-Midland
C. W. Briggs-Midland
O. C. C. - Hobbs



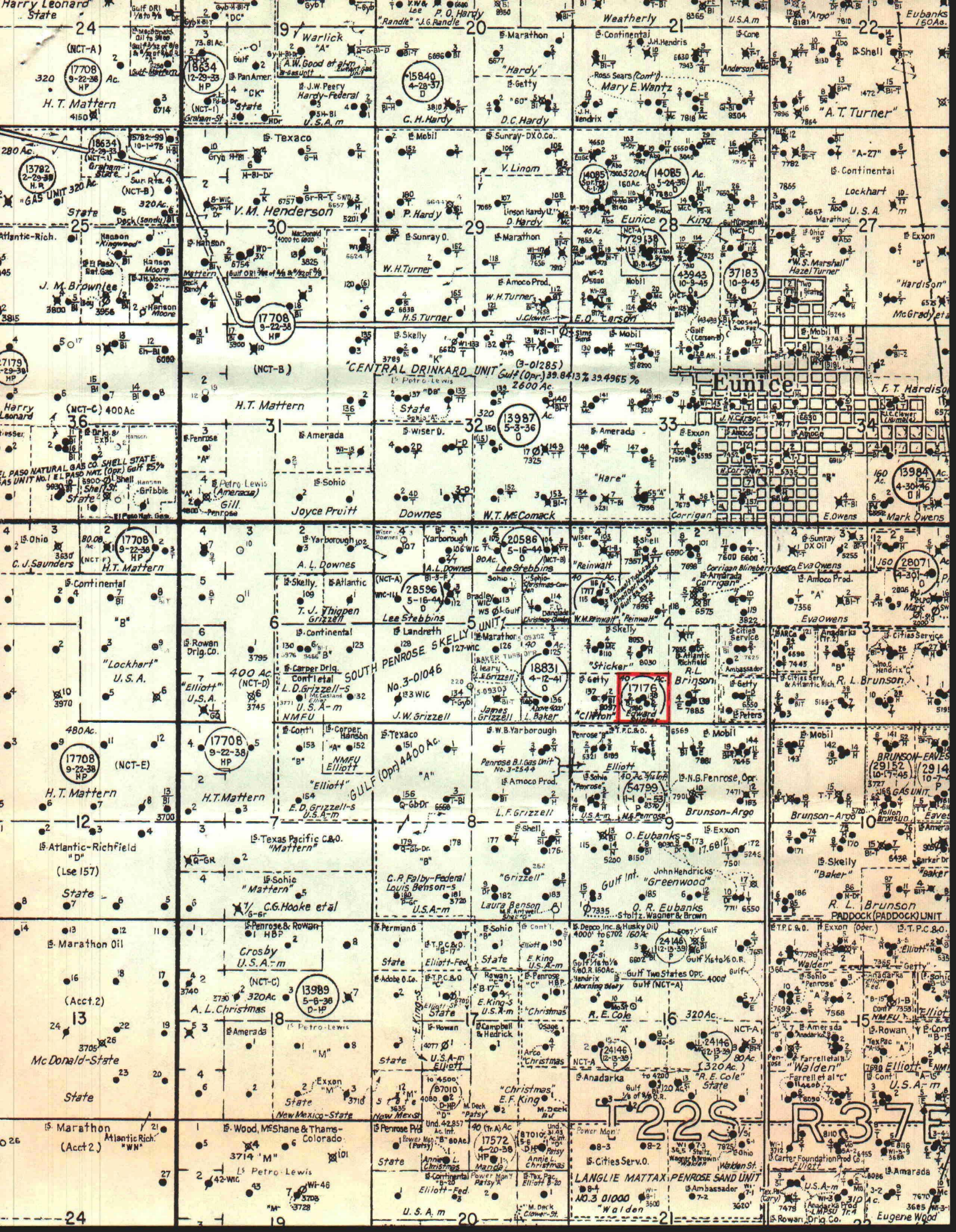
GULF OIL CORPORATION

E.A. Sticher Lease

Production Data

<u>Pool</u>	<u>Bbls/Day</u>	<u>Corr. Gravity</u>	<u>\$/Bbl.</u>	<u>Bbls/day x \$/bbls.</u>
Drinkard	6.23	39.8	\$11.58	\$ 72.14
Paddock	42.33	37.1	\$11.54	\$488.49
Total				\$560.63
Commingled	48.56	37.4	\$11.54	<u>\$560.38</u>
Difference				- \$ 0.25 per day

CRK:ptg
Hobbs, N.M.
5-23-75



GULF OIL CORPORATION
 Proposed Commingled Tank Battery - E. A. Sticher Lease
 Drinkard and Paddock Pools

