

# Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT  
HOBBS AREA

C. D. Borland  
AREA PRODUCTION MANAGER

P. O. Box 670  
Hobbs, New Mexico 88240

July 10, 1975

Mr. Joe D. Ramey  
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 Wantz Granite Wash production on our Hugh Lease, comprising the N/2 of Section 14-22S-37E, Lea County, New Mexico.

At the present time there are seven wells producing from the Drinkard Pool and one well producing from the Wantz Granite Wash Pool. One Drinkard well is completed and ready to be placed on production. 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 the 61 day period for May and June, 1975 for the Drinkard zone. The Wantz Granite Wash well (Well No. 10) is a new well with limited production history. The Wantz Granite Wash production is based on the latest stabilized 24 hour well test ending July 10, 1975. You will notice from the tabulations that the actual commercial value of the commingled production will remain the same.

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*  
C. D. BORLAND

CRK:ptg  
Att'd.

cc: R. F. Ward, Jr. Midland  
C. W. Briggs, Midland  
Oil Conservation Commission, Hobbs



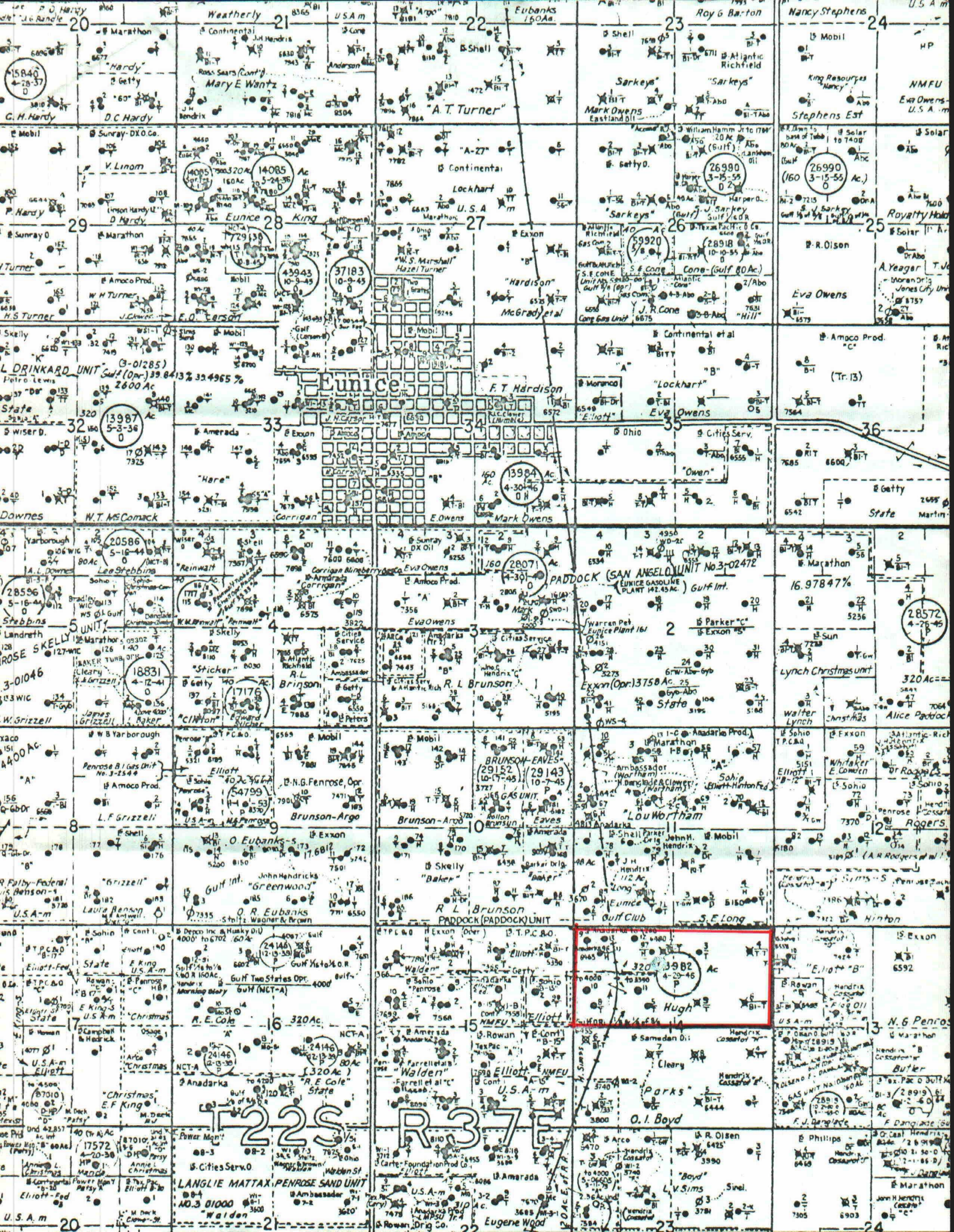
GULF OIL CORPORATION  
HUGH LEASE

Production Data

| <u>Pool</u>        | <u>Bbls/Day</u> | <u>Corr. Gvty</u> | <u>\$/Bbl.</u> | <u>Bbls/day x \$/bbl</u> |
|--------------------|-----------------|-------------------|----------------|--------------------------|
| Drinkard           | 47              | 38.5              | \$12.01        | \$564.47                 |
| Wantz Granite Wash | 27              | 38.9              | \$12.01        | <u>\$324.27</u>          |
| TOTAL              |                 |                   |                | \$888.74                 |
| Commingled         | 74              | 38.7              | \$12.01        | <u>\$888.74</u>          |
| DIFFERENCE         |                 |                   |                | \$ 0.00<br>No Change     |

CRK:ptg  
7-10-75







GULF OIL CORPORATION  
 PROPOSED COMINGLED TANK BATTERY - HUGH LEASE  
 DRINKARD & WANTZ GRANITE WASH POOLS

