

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT

HOBBS AREA

August 28, 1975

C. D. Borland
AREA PRODUCTION MANAGER

P. O. Box 670
Hobbs, New Mexico 88240

PC -

Mr. Joe D. Ramey
N. M. Oil Conservation Commission
P. O. Box 2088
Santa Fe, N. M. 87501

Dear Sir:

Gulf Oil Corporation requests your administrative approval for an exception to Rule 303-A to permit commingling of the Drinkard and Blinebry Oil and Gas production on our H. T. Mattern (NCT-C) lease, comprising the following acreage: N/2 of S/2, S/2 of NW/4, and NE/4 of Section 18; S/2 of SE/4 of Section 7; and W/2 of SW/4 and S/2 of NW/4 of Section 8, all in T21S-R37E, Lea County, New Mexico.

At the present time, there is one well producing from the Drinkard Pool and one well producing from the Blinebry Oil and Gas Pool. Both wells are marginal. Production will be allocated on the basis of periodic well tests.

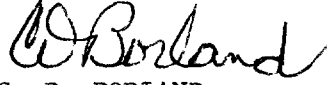
This is fee land, and approval of the State Land Commissioner is not required.

The attached tabulations show the average daily production based on the latest stabilized well tests. Well No. 5 (Drinkard) was completed on June 29, 1975 and tested for a 24-hour period ending July 29, 1975. Well No. 5 (Blinebry Oil and Gas) was completed on July 4, 1975 and tested for a 24-hour period ending August 8, 1975. Neither well has been completed long enough to establish a 60-day production history. You will notice from the tabulations that the actual commercial value of the commingled production will be slightly lower (\$0.32 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:ec
Att'd.

cc: R. F. Ward, Jr. - Midland
C. W. Briggs - Midland
N. M. O. C. C., Hobbs

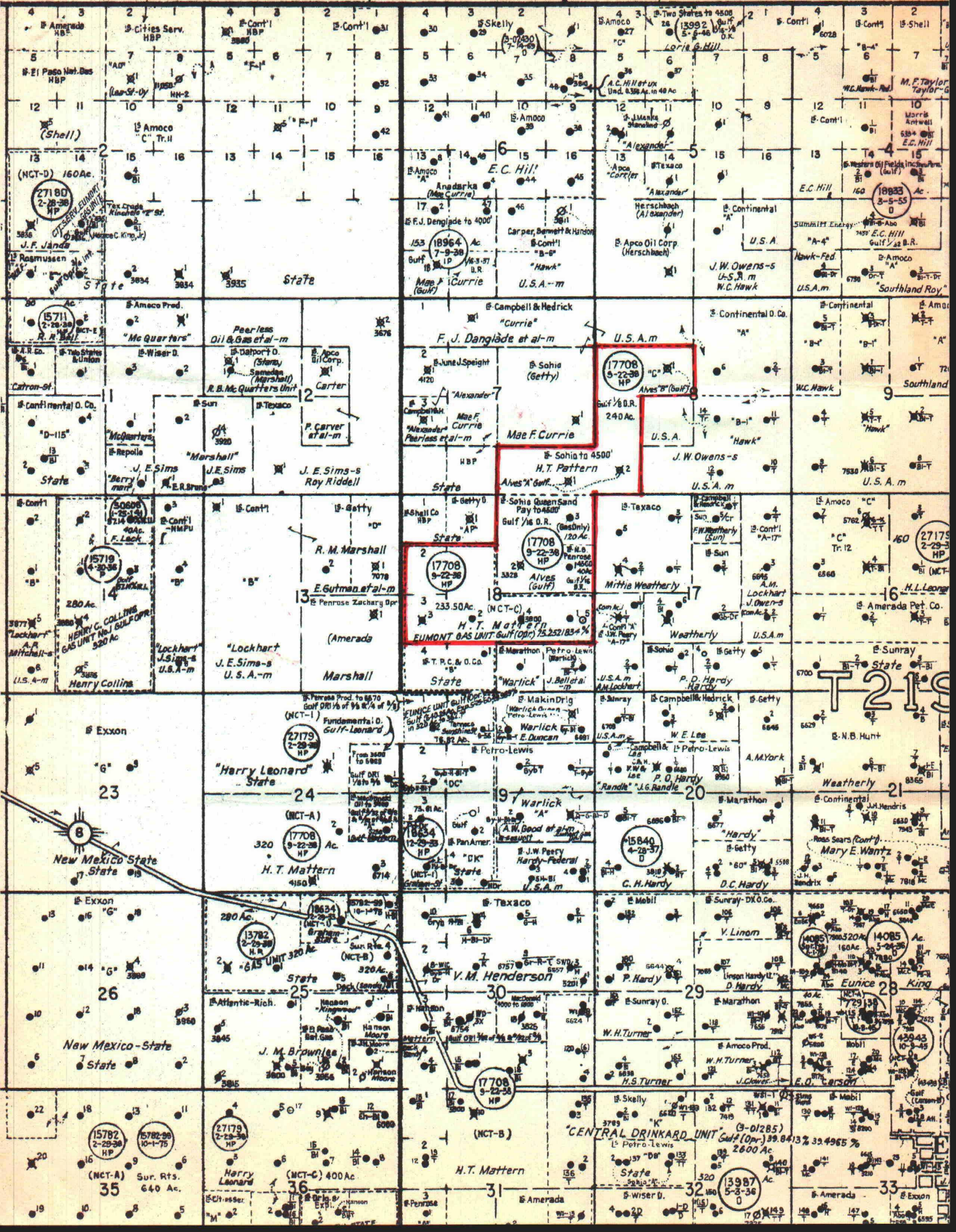


GULF OIL CORPORATION

H. T. MATTERN (NCT-C) LEASE

Production Data

<u>Pool</u>	<u>Bbls./Day</u>	<u>Corr. Gravity</u>	<u>\$/Bbl.</u>	<u>Bbls./Day x \$/Bbl.</u>
Drinkard	42	39.5	\$12.73	\$534.66
Blinebry Oil and Gas	16	40.3	\$12.75	<u>\$204.00</u>
TOTAL				\$738.66
Commingled	58	39.7	\$12.73	<u>\$738.34</u>
DIFFERENCE				— \$ 0.32 per day



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