

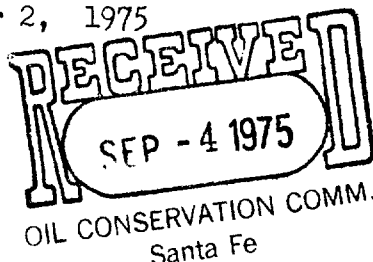
Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

September 2, 1975

P. O. Box 670
Hobbs, New Mexico 88240



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 W. M. Rinewalt Lease, comprising the SW/4 of NW/4 of Section 4-T22S-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 from the Drinkard Pool for the 62-day period for July and August 1975. The Blinebry Oil and Gas well (well No. 3) was completed on August 22, 1975. Blinebry Oil and Gas production is based on a stabilized 24-hour well test ending August 29, 1975. You will notice from the tabulations that the actual commercial value of the commingled production will be slightly higher (\$0.11 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,

A handwritten signature in cursive script, appearing to read "C. D. Borland".

C. D. BORLAND

CRK:ec
Att'd.

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



GULF OIL CORPORATION

W. M. RINEWALT LEASE

PRODUCTION DATA

<u>Pool</u>	<u>Bbls./Day</u>	<u>Corr. Gravity</u>	<u>\$/Bbl.</u>	<u>Bbls./Day x \$/Bbl.</u>
Drinkard	1.3	36.8	\$12.31	\$ 16.00
Blinebry Oil and Gas	20.0	40.3	\$12.39	<u>\$247.80</u>
TOTAL				\$263.80
Commingled	21.3	40.1	\$12.39	<u>\$263.91</u>
DIFFERENCE				+ \$ 0.11 per day





FLOW LINES
DRINKARD AND BLINEBRY
OIL AND GAS POOLS

GULF OIL CORPORATION
PROPOSED COMMINGLED TANK BATTERY - W. M. RINEWALT LEASE
DRINKARD AND BLINEBRY OIL AND GAS POOLS

