

Gulf Energy and Minerals Company - U. S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

August 31, 1976

P. O. Box 670
Hobbs, New Mexico 88240

Mr. Joe D. Ramey
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 Blinebry condensate production on our O. I. Boyd lease, described as the S/2 & NE/4 SW/4 and the SW/4 SE/4, section 23, 22-S, 37-E, Lea County.

At the present time there are two wells producing on this lease. Well No. 3 is a Blinebry gas - Drinkard dual and well No. 4 is a single completion in the Drinkard, and both zones are marginal. Production would be allocated based on periodic well tests.

The following tabulations show the daily average production of each pool for June and July, 1976, gravities and monetary values of the production from each pool, as well as the commingled production.

Pool	Bbls/day	Gravity	\$/bbl	Bbls/day X \$/bbl.
Blinebry Oil & Gas	1	38.1	\$11.55	\$11.55
Drinkard	3	37.6	\$11.53	\$34.59
			Total	\$46.14
Commingled	4	37.7	\$11.53	\$46.12

You will notice from the tabulations that the actual commercial value of the commingled production will be slightly lower (\$0.02/day).

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

Your early consideration will be appreciated.

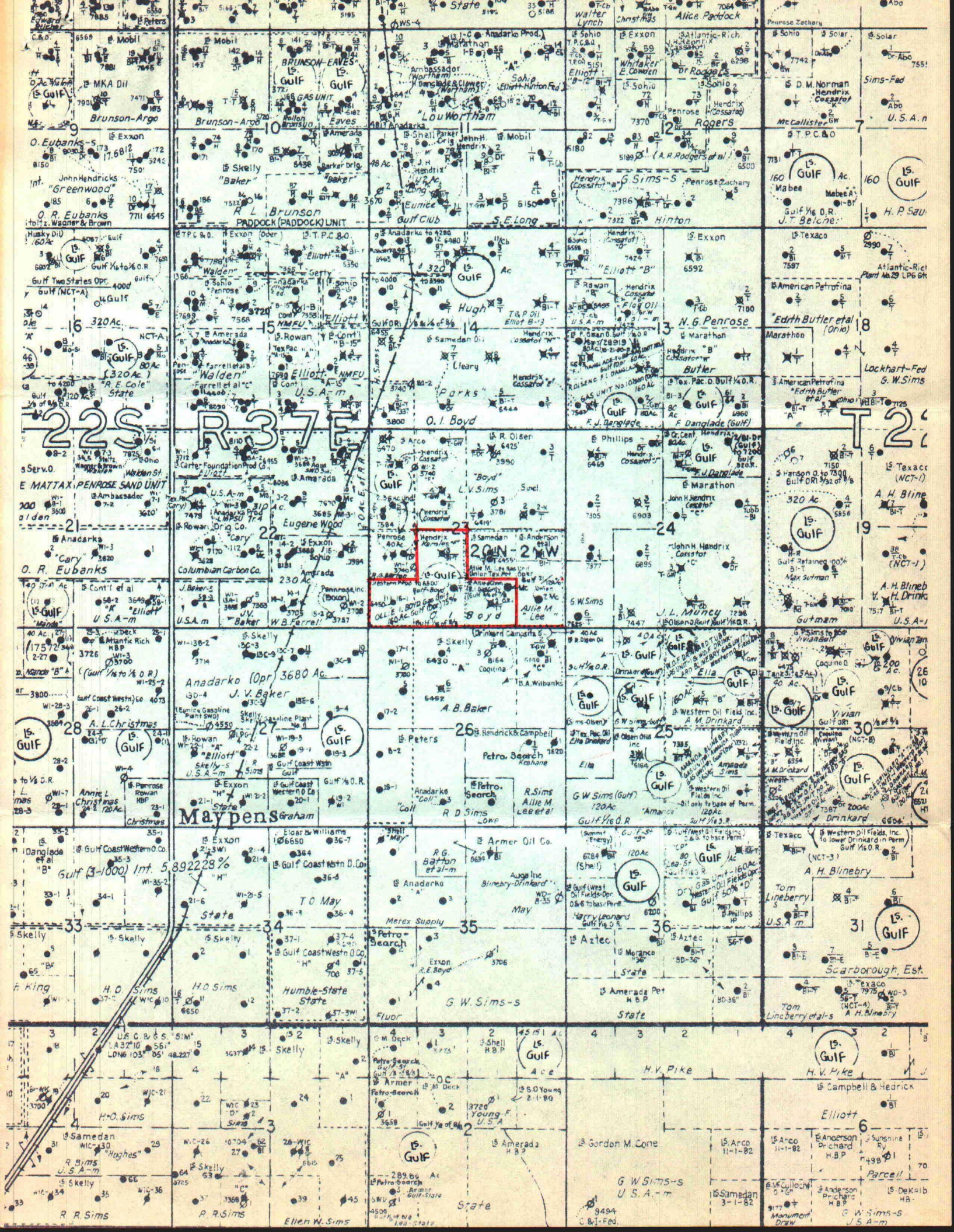
Yours truly,



C. D. BORLAND

lwd:
Att'd
cc: NMOCC, Hobbs
CFK & EEC





GULF OIL CORPORATION
 PROPOSED COMINGLED TANK BATTERY - O. I. BOYD LEASE
 DRINKARD AND BLINEBY OIL AND GAS POOLS

