

Gulf Oil Exploration and Production Company

May 29, 1979

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

P. O. Box 670
Hobbs, NM 88240

Re: Eaves Lease, Tank Battery No. 5,
Unit H, Section 10-22S-37E,
Lea County, New Mexico,
Proposed Surface Commingling
of the Drinkard, Blinebry and
Wantz Granite Wash Pools

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Dear Sir:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject lease, Gulf hereby seeks an exception to Rule 303-A. This exception will allow Gulf to surface commingle newly developed Wantz Granite Wash oil from our Eaves No. 3 well with Blinebry oil from our Eaves No. 6 well and with Drinkard oil from Eaves No. 5 and No. 6 wells. All wells will be tested periodically for allocation of production.

Eaves No. 5 (Drinkard), Eaves No. 6 (Drinkard) and Eaves No. 6 (Blinebry) are each classified as gas wells in an oil pool. Eaves No. 5 (Drinkard) last recorded oil production was June, 1978, Eaves No. 6 (Drinkard) last recorded oil production was October 1978, and Eaves No. 6 (Blinebry) last recorded oil production was February 1976. Although these wells are not presently producing oil, they are connected to the Eaves Tank Battery.

<u>WELL TESTS</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>
Eaves No. 5 - Drinkard (3-17-79)	0	1	564
Eaves No. 6 - Drinkard (3-22-79)	0	0	292
Eaves No. 6 - Blinebry (8- 4-78)	0	0	318

Since Wells No. 5 and 6 are not producing a measurable amount of hydrocarbon liquids, we are unable to furnish oil production figures for the Blinebry and Drinkard pools; therefore, Gulf requests special consideration to surface commingle the Blinebry, Drinkard and Wantz Granite Wash pools.



May 24, 1979

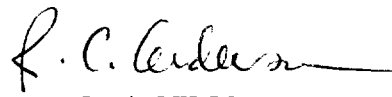
The attached tabulation shows the volumes, gravities and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production (based upon recent production from each pool). The tabulation also shows total average daily production for a 90 day period and the results of recent production test for the new completion.

The calculated revenue from the commingled production is equal to the total revenue from the individual pools.

Also attached is a schematic diagram of the proposed storage facilities for the commingled production and a lease plat. Shell Pipe Line Corporation has agreed to purchase the commingled production as proposed herein.

The commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Yours very truly,


R. C. ANDERSON

Attachments
LBI/dch

cc: Energy and Minerals Department
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

Gene Cox - Midland
Proration Unit - Midland

GULF OIL CORPORATION

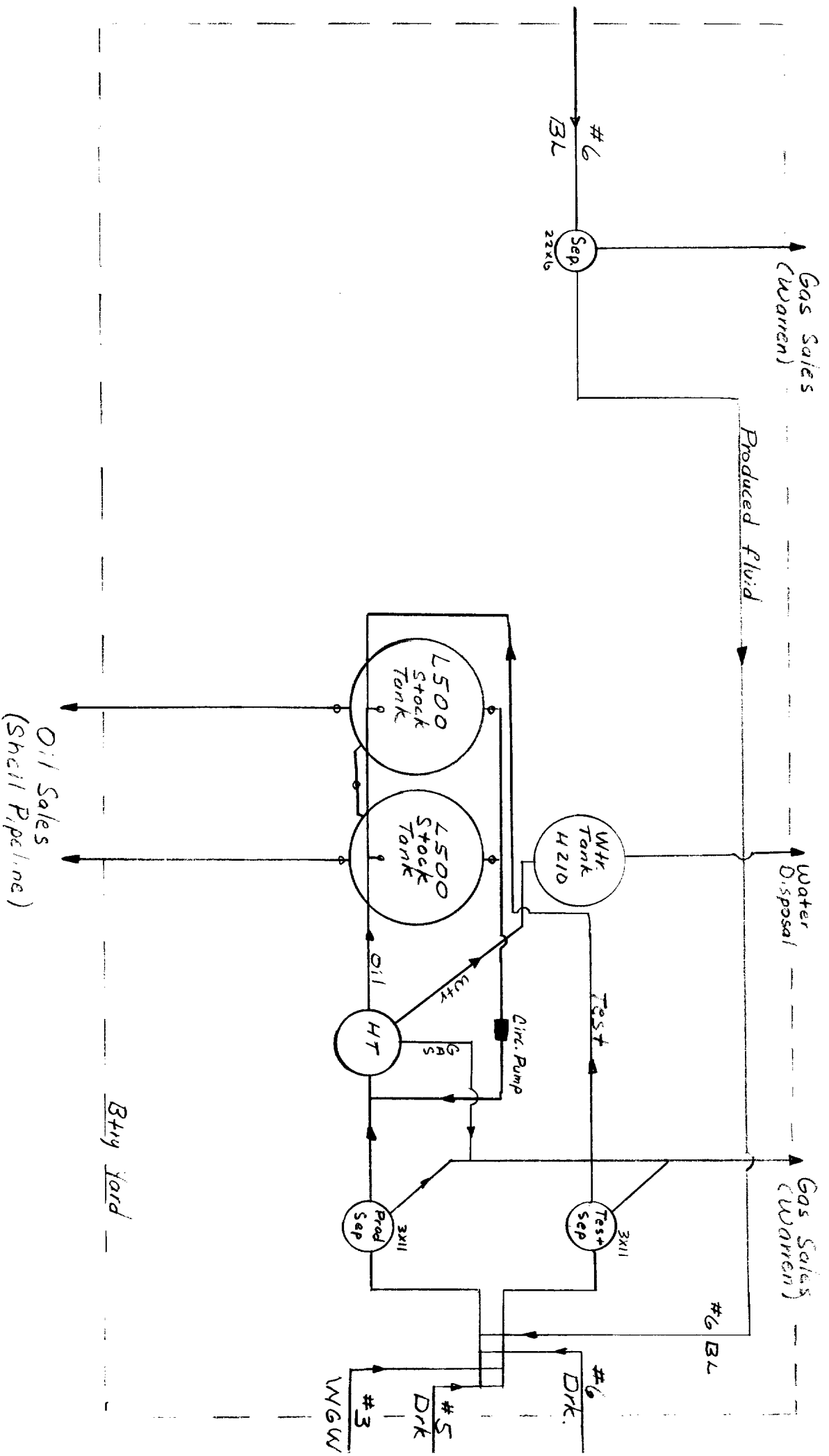
Eaves Lease, Tank Battery No. 5
Section 10-22S-37E, Lea County, New Mexico

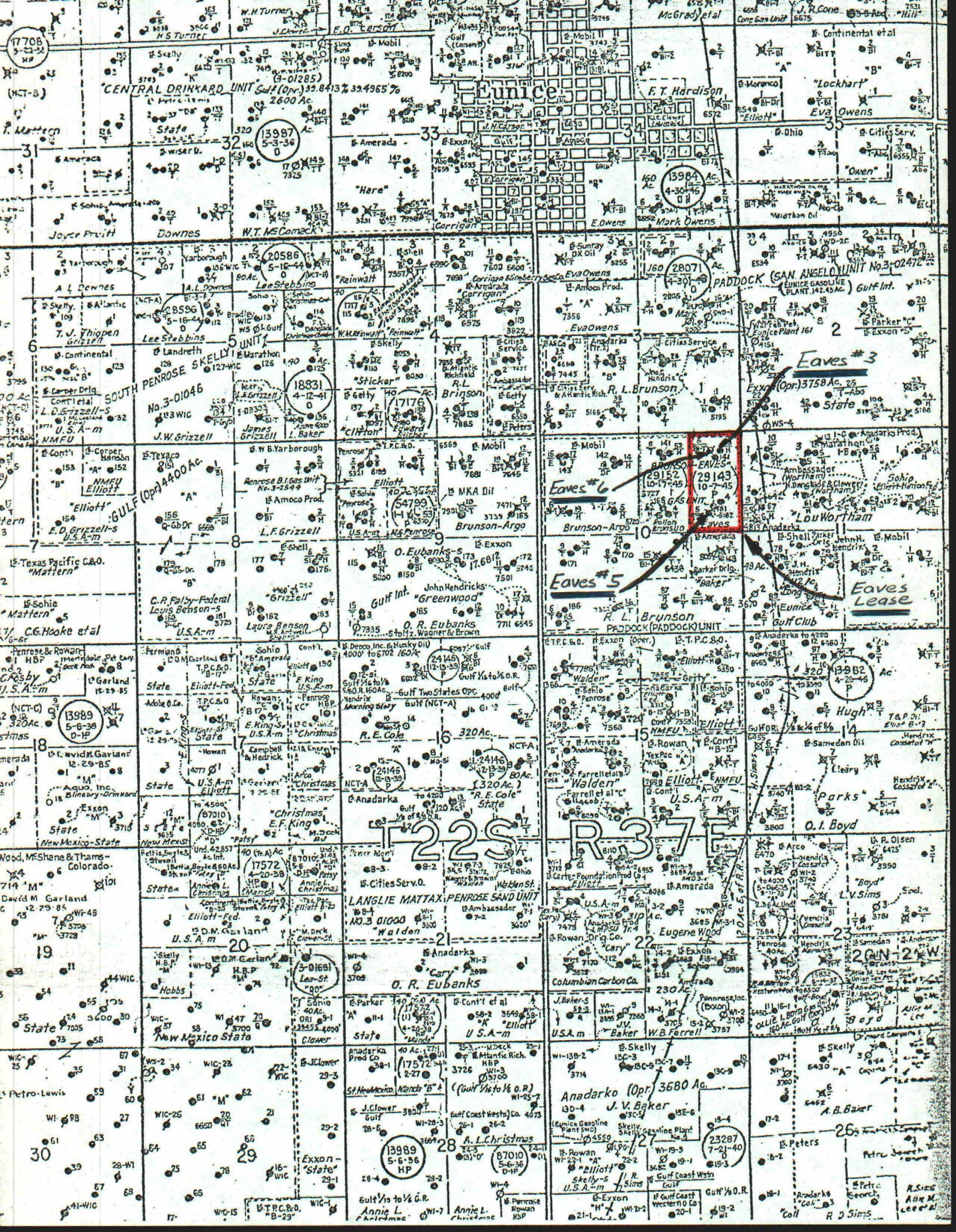
<u>Wells and Pool</u>	<u>Production</u>			<u>Total</u>	<u>Average BOPD</u>
	<u>Jan 79</u>	<u>Feb 79</u>	<u>Mar 79</u>		
Eaves No. 5 - Drinkard	0	0	0	0	0
Eaves No. 6 - Drinkard	0	0	0	0	0
Eaves No. 6 - Blinebry	0	0	0	0	0
Eaves No. 3 - Wantz Granite Wash*	-	-	-	-	<u>16</u>
					0

*Test Production (5-20-79)
16 BOPD, 38 BWPD, 292 MCFPD

<u>Pool</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Drinkard	0	58.1	15.85	0
Blinebry	0	63.5	15.85	0
Wantz Granite Wash	<u>16</u>	38.3	15.85	<u>253.60</u>
Total	16			\$ 253.60
Commingled	<u>16</u>	Difference Per Day		<u>(\$ 0.00)</u>

Gulf Oil Corporation
Proposed Eaves #5 Tank Btry
Sec 10-225-37E, Lea Co, NM





Lse/well Eaves No. 5
 Pool Drinkard

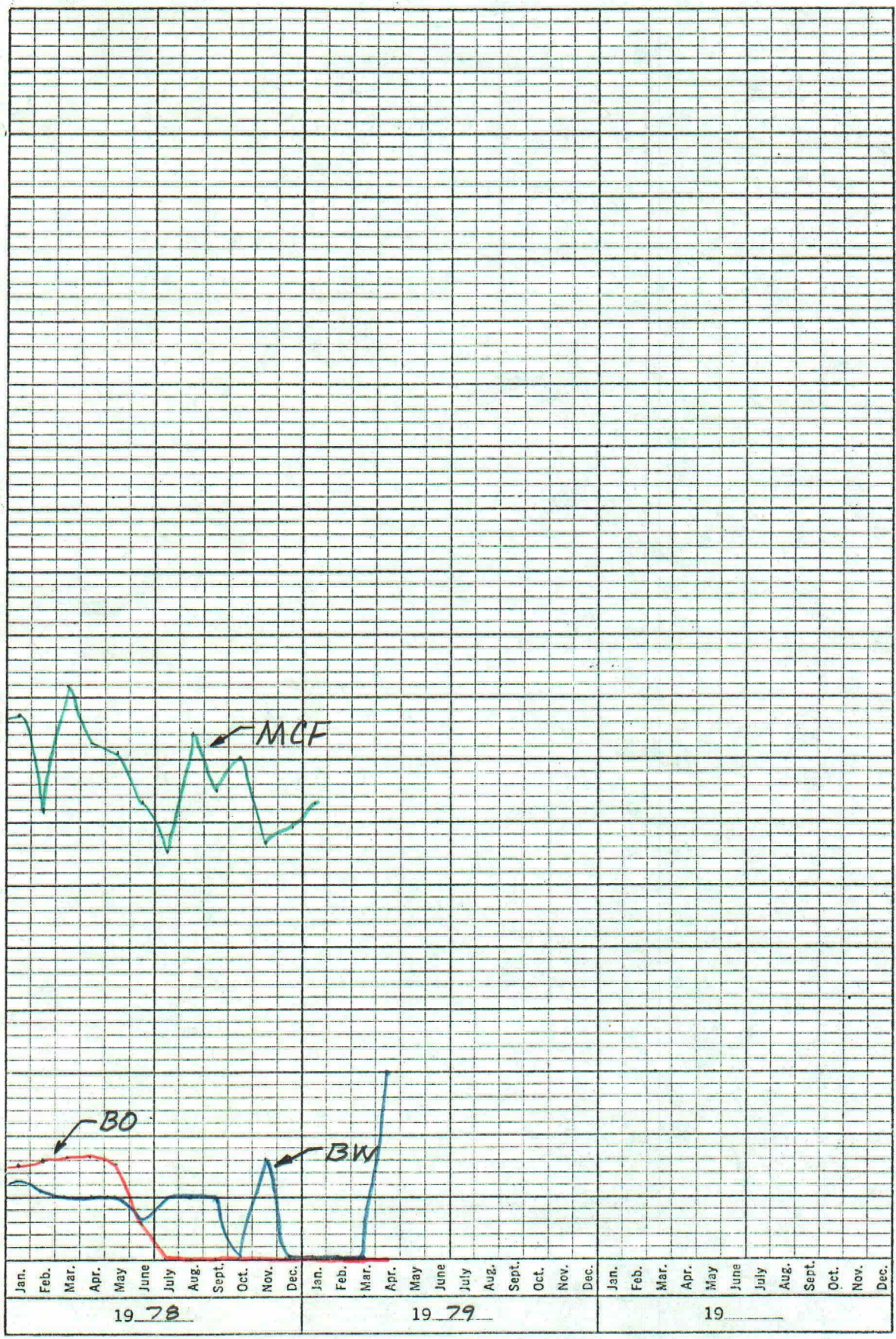
3 YEARS 9 MONTHS 46 3293
 X 100 DIVISIONS
 KEUFFEL & ESSER CO.

BBL/DAY

10
9
8
7
6
5
4
3
2
1
0

MCF/DAY

1000
900
800
700
600
500
400
300
200
100
0



Lse/well Eaves No. 6

Pool Blinebry

BBL/DAY

MCF/DAY

KE 3 YEARS BY MONTHS 46 3293
MADE IN U.S.A.
KEUFFEL & ESSER CO.

10
9
8
7
6
5
4
3
2
1
0

1000
900
800
700
600
500
400
300
200
100
0



Lse/well Eaves No. 6
 Pool Drinkard

KE 3 YEARS BY MONTHS 46 3293
 X 100 DIVISIONS
 KEUFFEL & ESSER CO.

BBL/DAY

10
9
8
7
6
5
4
3
2
1
0

MCF/DAY

1000
900
800
700
600
500
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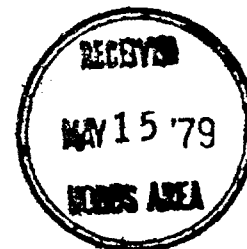


Shell Oil Company



Two Shell Plaza
P.O. Box 2099
Houston, Texas 77001

May 11, 1979



Gulf Oil Corporation
P. O. Box 670
Hobbs, NM 88240

Gentlemen:

GULF OIL CORPORATION
EAVES
BLINEBRY, WANTZ GRANITE WASH
LEA COUNTY, NEW MEXICO

Shell Pipe Line Corporation is currently connected to and running the production from the subject lease in the Drinkard Field.

Per phonecon Cox/Cook of May 11, 1979, we concur to commingling Blinebry and Wantz Granite Wash into this battery.

Yours very truly,

for F. D. Couvillon
F. D. Couvillon, Supervisor
Field Operations - Crude Oil Supply
Operations-Domestic Raw Materials Supply

SEC/dg