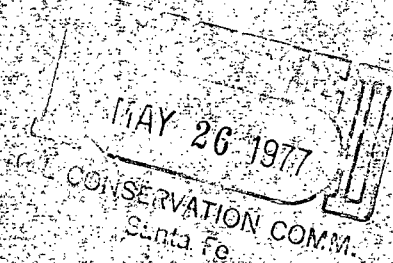


OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

May 23, 1977



C
O
P
Y

Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico

Attention Mr. C. D. Borland

Re: Administrative Order No. DHC-214

Gentlemen:

This is to advise that the proposed allocation formula for downhole commingled production from the Blinbry Oil & Gas and Drinkard Pools for your Watkins Well No. 2 located in Unit P of Section 29, T-22-S, R-38-E, is satisfactory with this office.

Yours very truly,

OIL CONSERVATION COMMISSION

Jerry Sexton
Supervisor, District 1

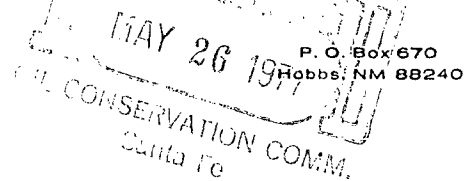
mc
cc-OCC, Santa Fe

Gulf Energy and Minerals Company-U.S.

SOUTHWEST DIVISION
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

May 13, 1977



Re: Watkins No. 2, Administrative
Order No. DHC-214

Mr. Jerry Sexton
District Supervisor
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, NM 88240

Dear Mr. Sexton:

In accordance with the provisions of Administrative Order No. DHC-214, we are submitting a test of the stabilized commingled production from the Blinebry Oil and Gas and the Drinkard Pools on the attached Form C-116.

It is our recommendation, based on this test and previous stabilized production from the Blinebry Oil and Gas Pool, that the following allocation be made on the commingled production:

Blinebry Oil - 51%	Blinebry Gas - 80%
Drinkard Oil - 49%	Drinkard Gas - 20%

Please advise if you are in agreement with this proposed allocation formula.

Yours very truly,

A handwritten signature in dark ink, appearing to read "C. D. Borland".

C. D. BORLAND

Attachment
CRK/dch

