

DHC - 247
Duc - 7/24/78

Gulf Oil Exploration and Production Company

C. D. Borland
PRODUCTION MANAGER, HOBBS AREA

June 30, 1978

P. O. Box 670
Hobbs, NM 88240

CERTIFIED-RETURN RECEIPT

Re: Scarborough Estate No. 8
Unit L, Section 31-22S-38E
Lea County, New Mexico

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

*Blinebry Old Res
So. Brunson Pool*

Dear Sir:

Your administrative approval is requested for an exception to Rule 303-C to downhole commingle marginal production in the subject dually completed well. The Blinebry and South Brunson Ellenburger production on this lease is currently downhole commingled in the well bore of Well No. 5 under Order No. DHC-43.

There is no evidence of fluid incompatibility and we do not expect any waste or reservoir damage due to downhole commingling in the well bore. Ownership in the two pools is common, and correlative rights will not be violated. The Blinebry zone at present will not flow and downhole commingling will allow the recovery of additional hydrocarbons from this well. For the purpose of this application, expected production has been estimated from the Blinebry decline curve. Both zones will have to be pumped.

The subject well was drilled and dualled in the Blinebry and South Brunson Ellenburger zones in December of 1963. Attached is a complete history and production curves for each pool.

Upon completion of the subject well, Gulf will consult with the Supervisor of the Hobbs District Office of the Energy and Minerals Department to determine an allocation formula based on the subtraction method.

Should secondary recovery operations become practical in the future, the two zones could be separated at that time without damaging either reservoir.

Also attached are other pertinent data regarding this application as outlined in Rule 303c-2.

Yours very truly,

C. D. Borland

C. D. BORLAND

Attachments
RDW/dch

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

Aztec Oil & Gas Company
1100 Wall Towers West
Midland, TX 79701

Texaco Inc.
P. O. Box 3109
Midland, TX 79701

Cities Service Oil Company
P. O. Box 1919
Midland, TX 79701

Amoco Production Company
P. O. Drawer A
Levelland, TX 79336



A DIVISION OF GULF OIL CORPORATION

SCARBOROUGH ESTATE
LEA COUNTY, NEW MEXICO

- A. Operator: Gulf Oil Corporation, P. O. Box 670, Hobbs, NM 88240
- B. Lease and Well Name: Scarborough Estate No. 8
1830' FSL & 660' FWL Section 31-22S-38E,
Lea County, New Mexico
- C. Pools and Dual
Authorization: Blinebry Oil and South Brunson Ellenburger, OCC Order
No. MC-1426, December 26, 1963
- D. Current Test: See attached Form C-116
- E. Decline Curves and Well History: Attached
- F. Estimated BHP: Bottom-hole pressure surveys and fluid level surveys in the
area indicate 600 psi for the Blinebry zone and 375 psi for
the South Brunson Ellenburger zone.
- G. Fluid Characteristics: Blinebry and South Brunson Ellenburger are currently
being commingled in the well bore of Scarborough
Estate No. 5 under Order No. DHC-43. There is no
evidence of incompatibility.
- H. Value of Commingled Fluids:

	<u>BOPD</u>	<u>API Gravity</u>	<u>\$/Bbl</u>	<u>Rev/Day</u>
Blinebry Oil (Estimated)	10	34.8	\$ 14.77	\$ 147.70
South Brunson Ellenburger	<u>5</u>	38.7	14.92	<u>74.60</u>
Total	15			\$ 222.30
Commingled	15	36.1	\$ 14.85	\$ 222.75
Approximate Difference				(\$ + 0.45)

- I All offset operators have been notified by copy of the attached letter:

Aztec Oil & Gas Company, 1100 Wall Towers West, Midland, TX 79701
Texaco Inc., P. O. Box 3109, Midland, TX 79701
Cities Service Oil Company, P. O. Box 1919, Midland, TX 79701
Amoco Production Company, P. O. Drawer A, Levelland, TX 79336

SCARBOROUGH ESTATE
LEA COUNTY, NEW MEXICO

WELL HISTORY

BLINEBRY

Completed 1/31/64

Perforated 5 - 1" JH in a plane @ 5585', 5649', 5691',
5708' and 5733'. Treated w/325 gal 15% NE acid,
fraced w/30000 gal oil w/1 - 3# 20-40 SPG,
Flwd 80 BOPD

SOUTH BRUNSON ELLENBURGER

Completed 1/31/64

Perforated w/2 - 1/2" JHPF 7813-23', 7826-36', 7340-59',
7864-86'. Treated w/6000 gal 15% NE FE acid

Flwd 192 BOPD

11/24/64 3000 gal acid

3/15/65 Pumping equipment installed

*Bottom of 7886
max prod = 50 BOPD*

46 6693

5 YEARS BY MONTHS X 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

K&E

Gulf Oil Corporation
Scarborough Estate No. 8
Monthly Production - Blinberry

20000

15000

10000

8000

6000

4000

3000

Gas, mcf/mo.

200

150

100

80

60

40

Oil, bbls/mo.

20

10

Water, bbls/mo.

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
19 75											
19 76											
19 77											
19 78											

46 6693

5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

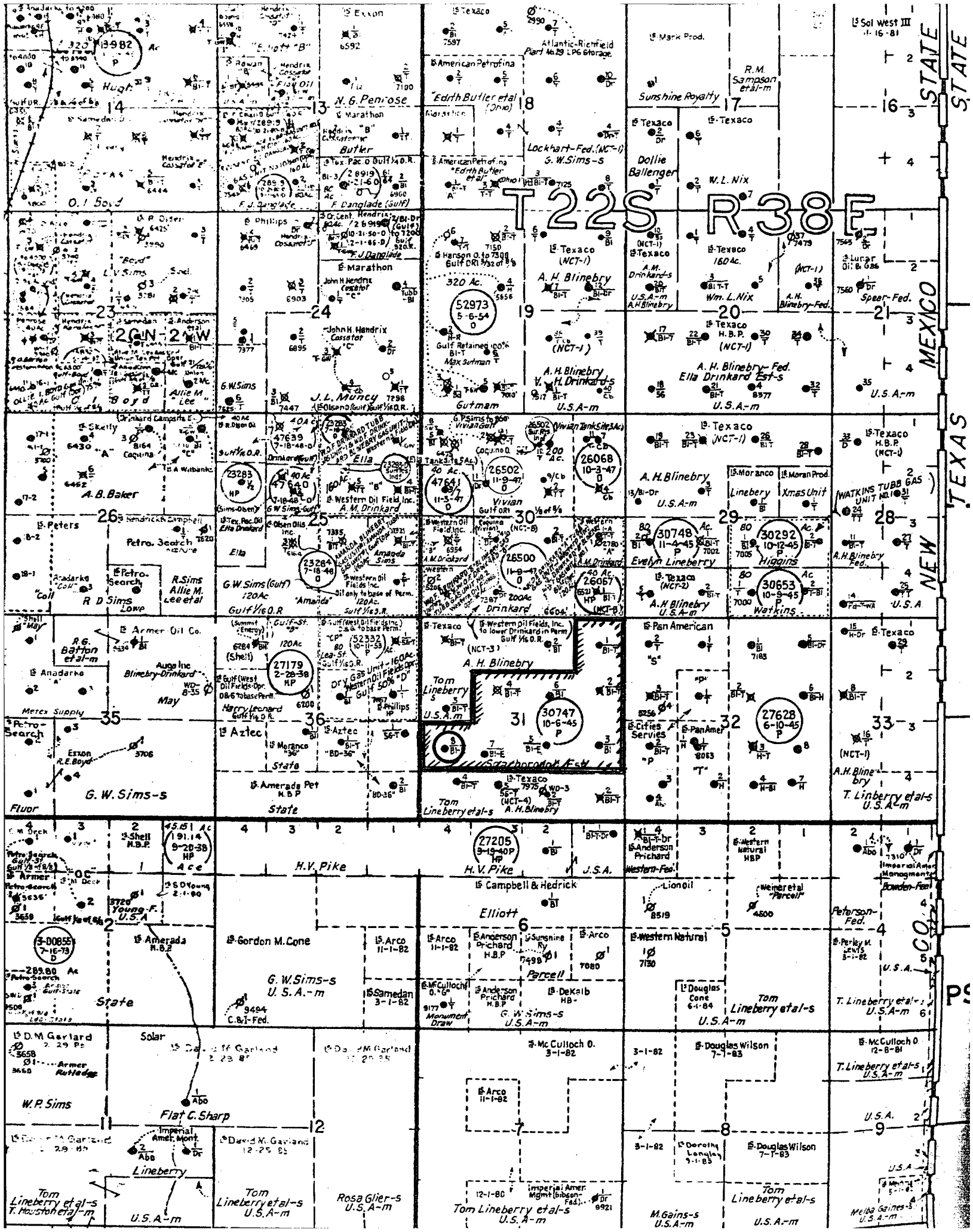
Gulf Oil Corporation
Scarborough Estates No. 8
Monthly Production - Benson
Ellenburger, South

Gas, mcf/mo.
1500
1000
800
600

Oil, bbls/mo.
300
200
150

Water, bbls/mo.
10
8
6
4

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
19 75												19 76												19 77												19											

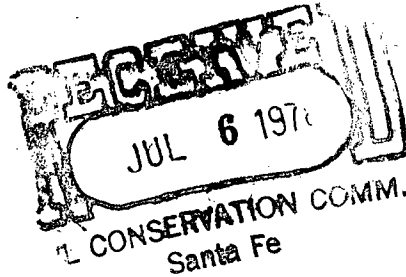


OIL CONSERVATION COMMISSION
HOBBS DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE July 3, 1978

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated _____
for the Gulf Oil Corp. Scarborough Estate #8-L 31-22-38
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.S.

Yours very truly,

