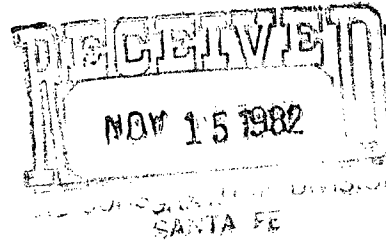


Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

P. O. Box 670
Hobbs, NM 88240



Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: R. E. Cole (NCT-A) #9
Unit N, Section 16, T-22-S,R-37-E
Lea County, New Mexico

Dear Sir:

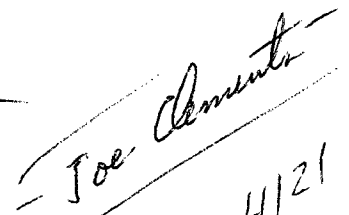
Your administrative approval is requested for an exception to Rule No. 303-C to permit down-hole commingling of Blinebry Oil and Gas and Drinkard production in the subject well.

Please find enclosed all pertinent data regarding this application as outlined in Rule No. 303-C.

Yours very truly,


R. C. Anderson

JNC/jm
Enclosures
cc: Jerry Sexton
Hobbs District Office
Oil Conservation Division


393-4121



A DIVISION OF GULF OIL CORPORATION

Re: R. E. Cole (NCT-A) #9
Unit N, Section 16, T-22-S, R-37-E
Lea County, New Mexico

Approval is requested for an exception to Rule No. 303-C to permit down-hole commingling of Blinebry Oil and Gas and Drinkard production in the subject well. Blinebry and Drinkard production is currently being down-hole commingled in the R. E. Cole (NCT-A) #11 under Order DHC-350 dated 12/15/80.

The R. E. Cole (NCT-A) #9 was completed in the Drinkard pool 9/25/67. The Drinkard pool was temporarily abandoned 5/4/81, and the Blinebry Oil and Gas pool was completed.

Penrose Skelly, Blinebry Oil and Gas, and Drinkard production is being commingled in surface storage facilities on the subject lease under Commingling Order PC-615 dated 4/12/82; therefore, down-hole commingling will not affect the price. To date, there has been no evidence of fluid incompatibility so reservoir damage is not expected. Ownership in the two pools is common and correlative rights will not be violated.

Artificial lift was required to produce the Drinkard zone, and is currently needed to produce the Blinebry completion also. If an exception is approved, the existing pumping equipment will be used to produce both zones.

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

OFFSET OPERATORS

Amerada Hess Corporation
Box 840
Seminole, Texas 79360

Anadarko Production Company
Box 2497
Midland, Texas 79702

Arco
Box 1610
Midland, Texas 79702

Bettis, Boyle & Stovall
Box 1168
Graham, Texas 79046

Carter Foundation Production Company
Box 900
Kermit, Texas 79745

Conoco
Box 1959
Midland, Texas 79702

Depco, Inc.
Box 427
Artesia, New Mexico 88210

Exxon
Box 1600
Midland, Texas 79701

Getty Oil Company
Box 1231
Midland, Texas 79702

John H. Hendrix Corporation
525 Midland Tower
Midland, Texas 79701

Shell Oil Company
Box 1509
Midland, Texas 79702

Sohio Petroleum Company
Box 3000
Midland, Texas 79702

Sun Exploration and Production Company
Box 1861
Midland, Texas 79702

Two States Oil Company
Box 176
Eunice, New Mexico 88231

Wagner & Brown
Box 1714
Midland, Texas 79702

Warrior, Inc.
206 N. Main
Midland, Texas 79702

Zia Energy
Box 2463
Hobbs, New Mexico 88240

Copies of this application
will be sent via certified
mail to all Offset Operators.

1. Operator: Gulf Oil Corporation, P.O. Box 670, Hobbs, New Mexico 88240
2. Lease, Well and Location: R. E. Cole (NCT-A) #9, Unit N, 1075' FSL and 2395' FWL, Section 16, T-22-S, R-37-E, Lea County, New Mexico.
3. Producing Zones: Currently producing the Blinebry Oil and Gas pool, which is to be commingled with the Drinkard pool, if approved. The Drinkard pool has been temporarily abandoned since May, 1981.
4. Decline Curve: See Attached Sheet
5. Bottom Hole Pressures: See Attached Sheet
6. Fluid Characteristics: The Blinebry Oil and Gas and Drinkard pool are currently commingled in surface facilities located on the R. E. Cole (NCT-A) lease per Commingling Order PC-615, dated 4/12/82. To date, there has been no evidence of fluid incompatibility.
7. Well History: The well was spudded 8/14/67 and drilled to a total depth of 7335'. Seven inch production casing was set at 7334' with top of cement at 1990'.

9/25/67, following two unsuccessful Abo completions 7245'-69' and 7214'-30', the gross interval 6770'-6887' was perforated with 4($\frac{1}{2}$ ") JHPF. The zone was ball acidized with 4000 gallons 28% NEA in 4 stages. (Drinkard Zone)

2/20/74, the gross interval 6357'-6592' was perfed with 2(.72") JHPF. Spotted 600 gallons 15% NEA across perfs 6357'-6592'. Fractured 6357'-6887' in six stages 1000 gallons of 15% NEA, 12,000 gallons gelled water and 30,000 gallons gel containing 1 to 2 pounds of 20-40 sand per gallon. (Drinkard Zone)

9/2/76, ball acidized perfs 6357'-6592' with 7000 gallons 15% NEA (Drinkard Zone)

9/17/76, equipped Drinkard to pump.

1/22/77, squeezed perfs 6473'-6592' with 250 sacks class "C" cement (Drinkard Zone)

5/4/81, TA Drinkard, perforate the gross interval 5443'-5543' with 2($\frac{1}{2}$ ") JHPF. Ball acidized the zone with 4000 gallons 15% NEFE "slick" acid in six stages and fractured in six equal stages with 60,000 gallons gelled brine containing 78,000 pounds 20-40 sand. (Blinebry Zone)

5/11/81, to repair annular water flow, perforated 1200' with 4 JH, pumped 300 sacks class "C" cement, raised top of cement to 1075'. Drilled out, perfs did not hold. Pumped 12 barrels 20% NEFE HCl, 300 sacks class "C" cement, cement circulated. Drilled out cement, began pumping Blinebry Zone.

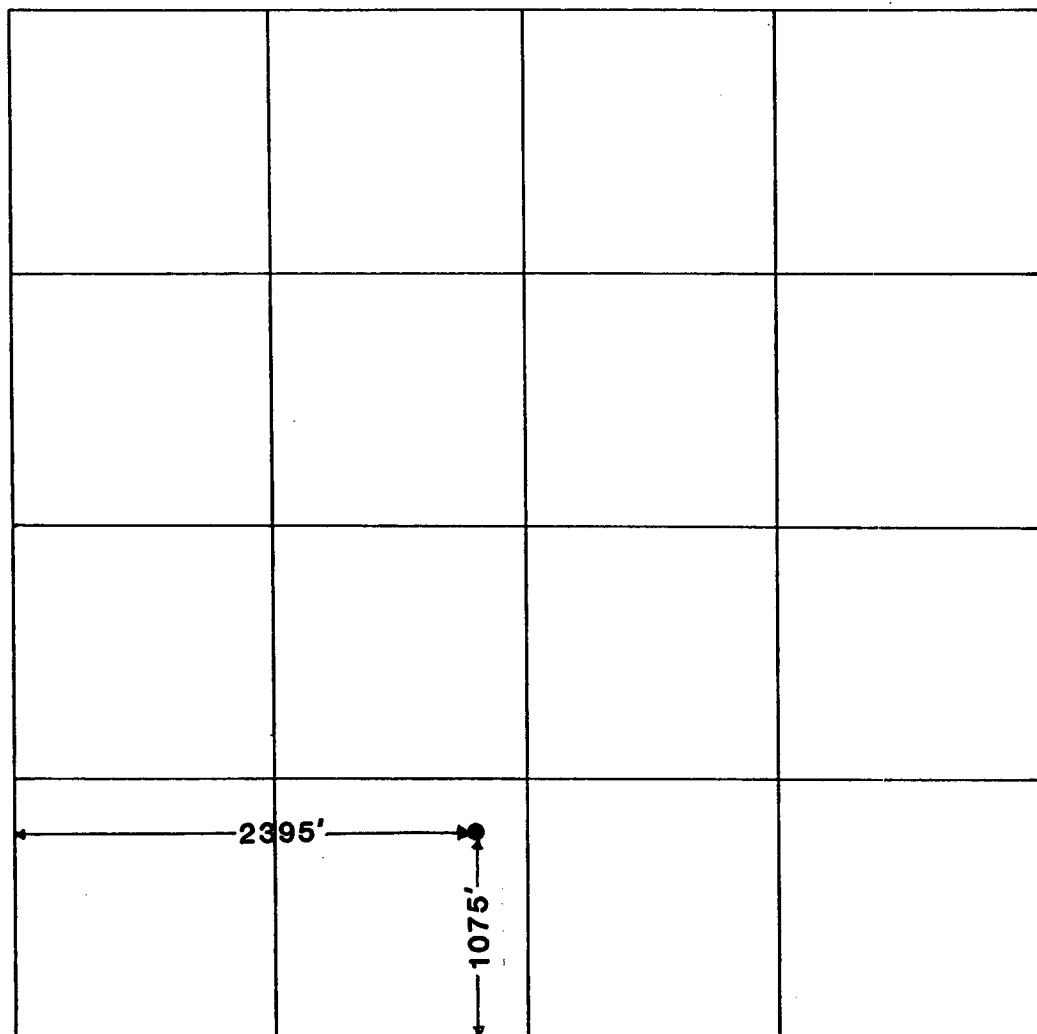
8. Value of Commingled Fluids: Penrose Skelly, Blinebry Oil and Gas and Drinkard production is being commingled in surface storage facilities on the subject lease per Order PC-615 dated 4/12/82, therefore, down-hole commingling will not affect the price.
9. Current Production: See Attached C-116.

Suggested allocation of production

	<u>Oil</u>	<u>Gas</u>
Blinebry Oil and Gas	79%	86%
Drinkard	21%	14%

The suggested allocation of produced hydrocarbons is based on the percentages of oil and gas produced on the latest C-116.





R.E. Cole (NCT-A) No. 9

1075' FSL and 2395' FWL

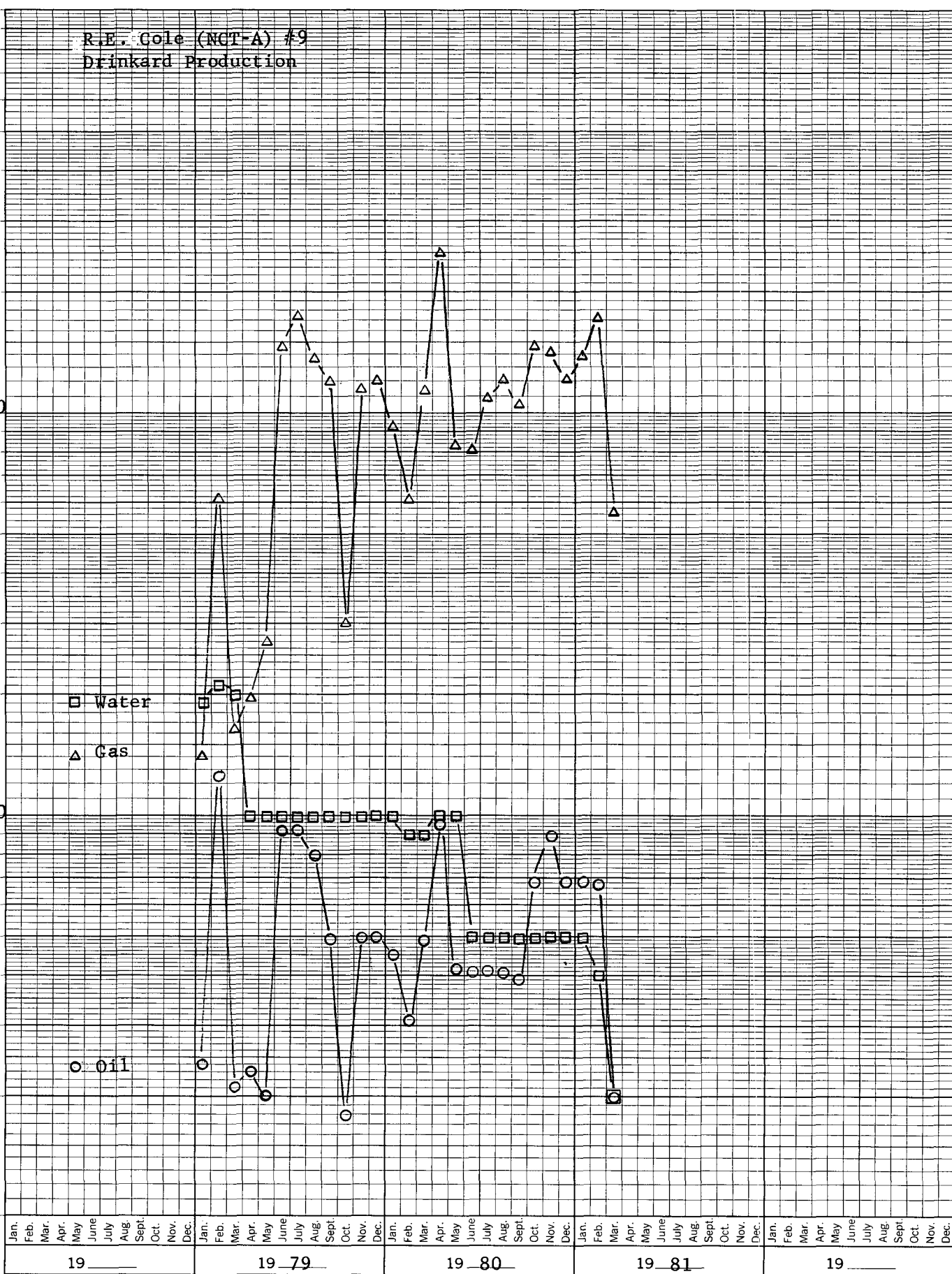
Section 16, T22S-R37E

R.E. Cole (NCT-A) #9
Drinkard Production

46 6690

BOPD
BHPD
MCFGPD

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



REL

R.E. Cole (NCT-A) #9
Blinebry Production

△ Gas

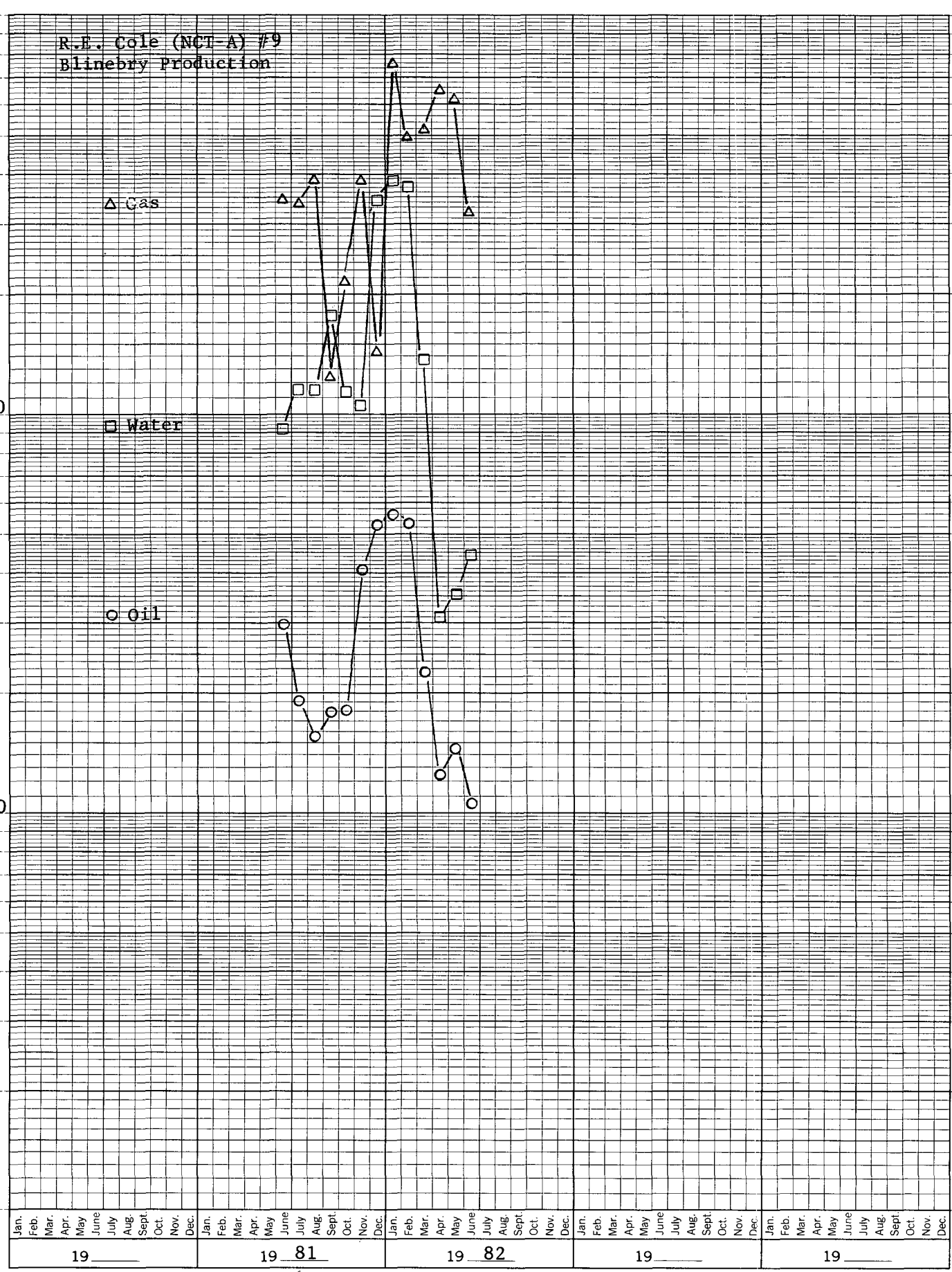
□ Water

○ Oil

46 6690

BOPD
BHPD
MCFGPD

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



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P.O. BOX 1088
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS-OIL RATIO TESTS

Operator		Pool		County		Lea										
Gulf Oil Corporation		Drinkard														
Address		Box 670, Hobbs, N.M. 88240		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL			
		U	S	T						R	WATER BBL'S.	CRAV. OIL		OIL BBL'S.	GAS M.C.F.	
R. E. Cole (NCT-A)	9	N	16	22	37	3-1-81	P	2"WO	40	3	24	2	38.2	3	29.0	9667

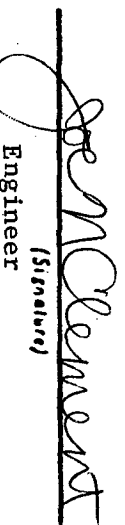
No well will be assigned an allowable greater than the amount of oil produced on the official test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowable when authorized by the Division.

Gas volume must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 101 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)
Engineer

(Title)
November 3, 1982

(Date)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS-OIL RATIO TESTS

Operator		Pool		County		Lea										
Gulf Oil Corporation		Blinebry Oil and Gas (oil wells)														
Address		Box 670, Hobbs, N.M. 88240		TYPE OF TEST - (X)		Scheduled <input checked="" type="checkbox"/> Special <input type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TUBING FEET	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BAU			
		U	S	T						R	WATER BBL.S.	GRAV. OIL BBL.S.		GAS M.C.F.		
R. E. Cole (NCT-A)	9	N	16	22	37	8-9-82	P	2"WO	35	26	24	6	36.6	11	176.0	16,000

No well will be assigned an allowable greater than the amount of oil produced on the official test.

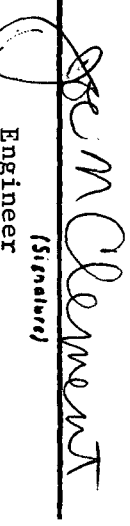
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowable when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)
Engineer

(Title)
November 3, 1982

(Date)

R. E. COLE (NCT-A) LEASE

OK

Bottom Hole Pressure Data:
(Midpoint Casing Perforations)

Blinebry: 514 psi at a subsea depth of -2109*
Drinkard: 485 psi at a subsea depth of -3238*

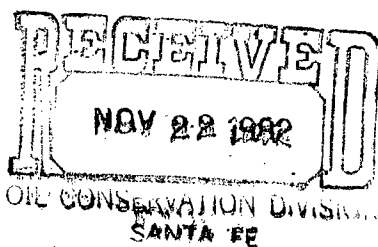
*Estimates based on most recent available average BHP data within a vicinity of the well and fluid level tests. As existing artificial lift equipment will be used to produce both zones, no problems with cross-flow are anticipated.

OIL CONSERVATION DIVISION
DISTRICT 1

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE November 17, 1982

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



Gentlemen:

I have examined the application for the:

Gulf Oil Corp.	R. E. Cole (NCT-A)	No. 9-N	16-22-37
Operator	Lease and Well No.	Unit, S - T - R	

and my recommendations are as follows:

O.K.-----J.S.

Yours very truly,

/mc