

Gulf Energy and Minerals Company - U. S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCT ON MANAGER

November 21, 1975

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 commingling, into one common flow line, the Drinkard and Blinebry production from well No. 3 on our Lee Stebbins (NCT-A) lease, comprising the S/2 NW/4, Section 5, 22-S, 37-E, Lea County. At this time this is the only well producing on this lease. Production would be allocated based on periodic well tests.

Well No. 3 was completed in the Drinkard pool on August 1, 1975, pumping 4 barrels of 38.3 gravity oil per day and was dually completed in the Blinebry Oil and Gas pool, flowing 11 barrels of 38.2 gravity oil plus 11 barrels of water on November 6, 1975. Due to this limited amount of production we feel that the installation of separate flow lines and related equipment would cause this well to be uneconomical to produce.

There would be no change in the monetary values of the commingled production since the gravities are almost identical.

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

This is fee land and approval of the State Land Commissioner is not required.

Your early consideration in this matter will be appreciated.

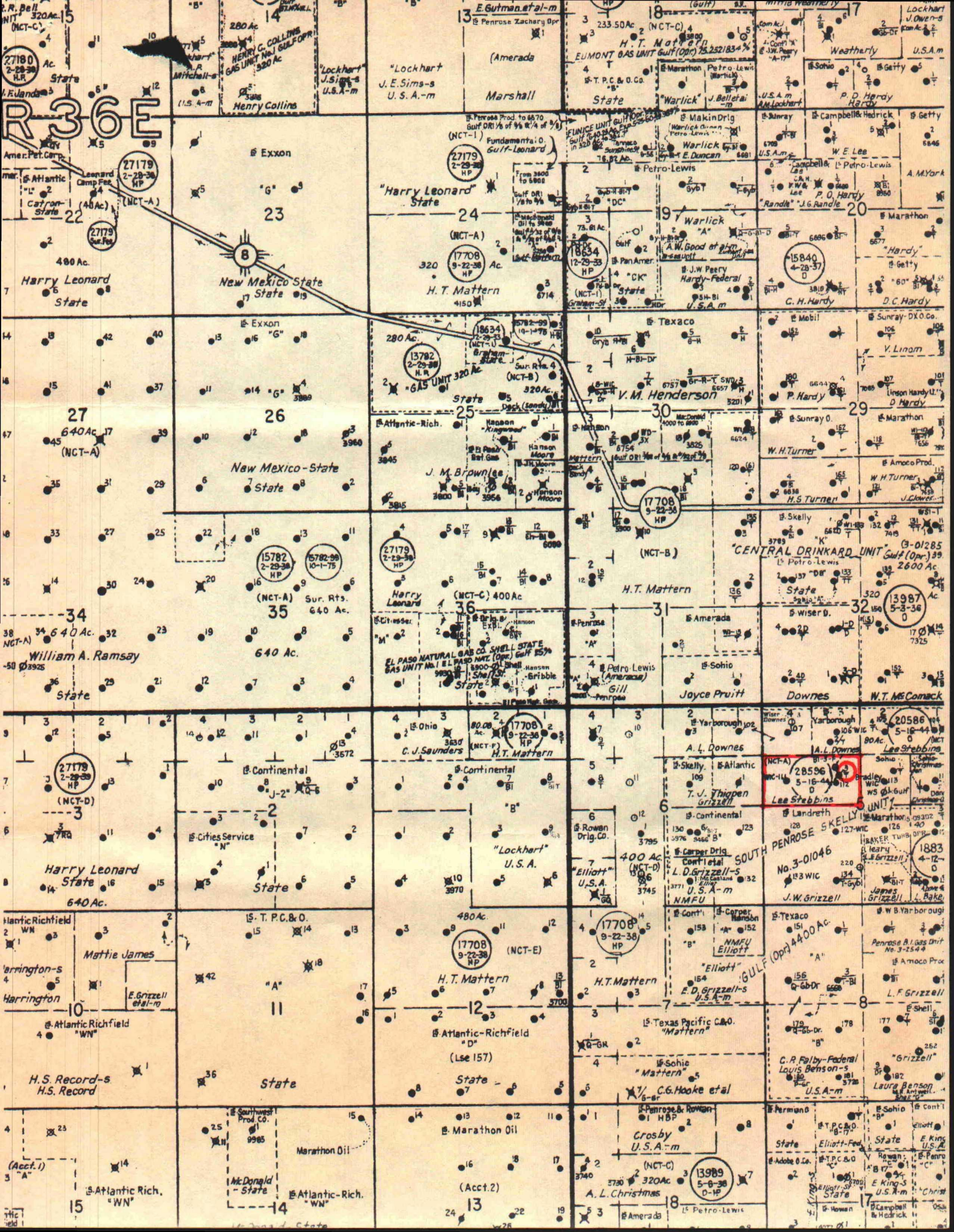
Yours truly,



C. D. BORLAND

lwd:
cc: NMOCC, Hobbs
CFK Midland





GULF OIL CORPORATION
Lee Stebbins (NCT-A) Lease
Proposed Commingled Tank Battery

