

Gulf Energy and Minerals Company - U. S.

PRODUCTION DEPARTMENT

HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

October 23, 1975

P. O. Box 670
Hobbs, New Mexico 88240

Mr. Joe D. Ramey
N.M. Oil Conservation Commission
P.O. Box 2088
Santa Fe, N.M. 87501

Dear Sir:

Gulf Oil Corporation requests your administrative approval for an exception to Rule 303-A to permit commingling of the Drinkard, Blinebry Oil and Gas and Tubb Gas condensate production on our Naomi Keenum lease comprising the W/2 of SE/4 of Section 14-T21S-R37E, Lea County, New Mexico. The Drinkard and Blinebry Oil and Gas production is presently being commingled as authorized by amended Administrative Order No. PC-115.

At the present time there are two wells producing from the Drinkard Pool, two wells producing from the Blinebry Oil and Gas Pool and one well producing from the Tubb Gas Pool. All wells are marginal. Production will be allocated on the basis of periodic well tests.

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

The attached tabulations show the average daily production from the presently commingled Drinkard and Blinebry Oil and Gas Pools and the Tubb Gas Pool for the 61-day period of August and September 1975. You will notice from the tabulations that the actual commercial value of the fully commingled production will be slightly lower (\$0.24 per day).

Attached is a plat of the lease, as well as a schematic diagram of the proposed installation.

Your early reply to this application will be appreciated.

Yours very truly,



C. D. BORLAND

CRK:ec
Att'd.

cc: R. F. Ward, Jr. - Midland
C. W. Briggs - Midland
N. M. Oil Conservation Commission, Hobbs

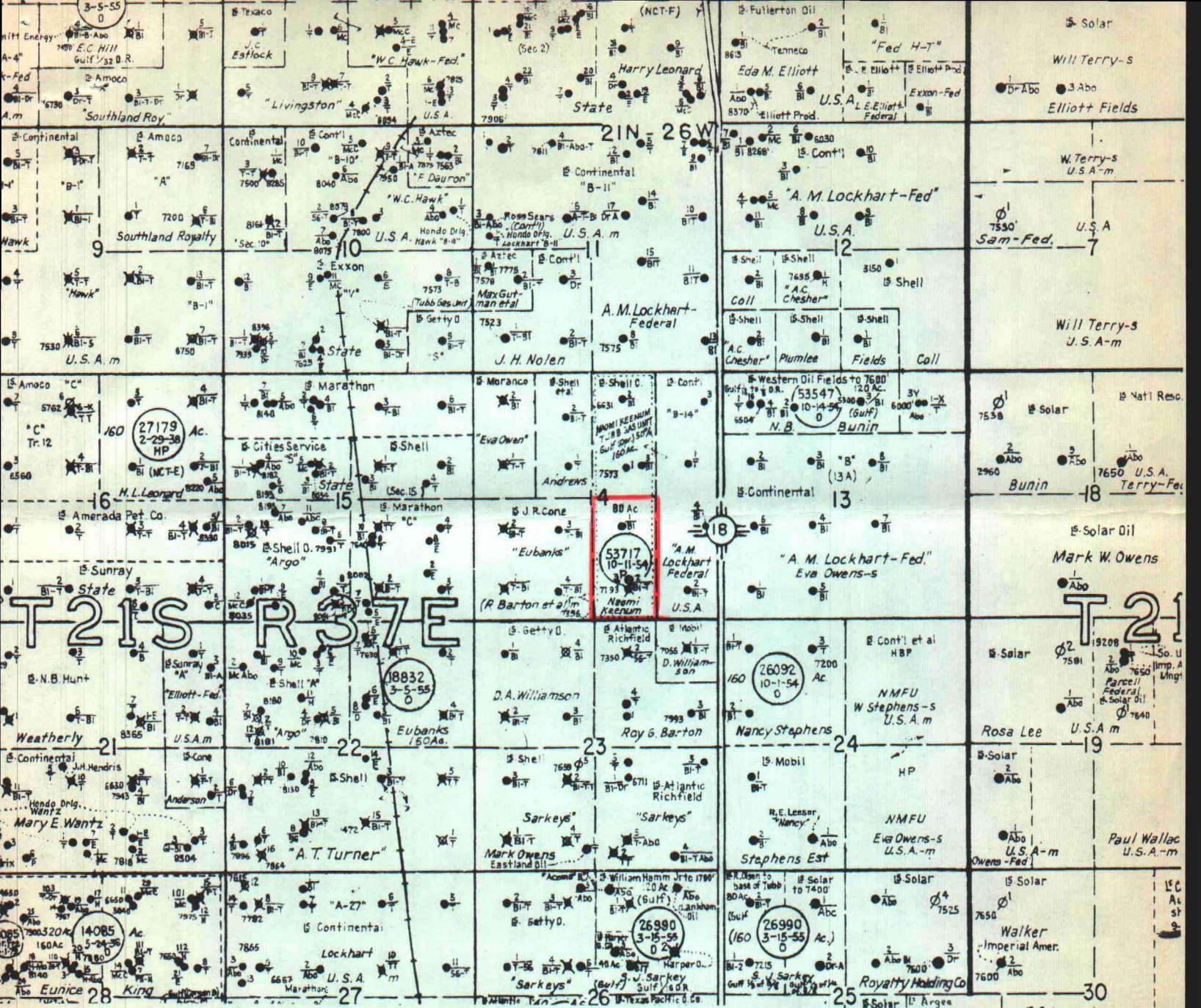


GULF OIL CORPORATION

NAOMI KEENUM LEASE

PRODUCTION DATA

| <u>Pool</u> | <u>Bbls./Day</u> | <u>Corr. Gravity</u> | <u>\$/Bbl.</u> | <u>Bbls./Day x \$/Bbl.</u> |
|---|------------------|----------------------|----------------|----------------------------|
| Drinkard - Blinebry Oil & Gas Commingled | 65.6 | 39.1 | \$12.83 | \$841.65 |
| Tubb Gas Condensate | 11.9 | 41.5 | \$12.85 | <u>\$152.91</u> |
| TOTAL | | | | \$994.56 |
| All Commingled | 77.5 | 39.5 | \$12.83 | <u>\$994.32</u> |
| DIFFERENCE | | | | -\$ 0.24 per day |



GULF OIL CORPORATION
PROPOSED COMMINGLED TANK BATTERY - NAOMI KEENUM LEASE
DRINKARD, BLINEBRY OIL & GAS & TUBB GAS POOLS

FLOW LINES
DRINKARD, BLINEBRY OIL & GAS & TUBB GAS POOLS

