June 28, 1985

File: LRS-1307-WF

Re: Application to Downhole Commingle Gillully "B" Federal No. 10 Blinebry and Tubb Oil Pools 660' FNL x 1980' FEL Sec. 22, T-20-S, R-37-E Lea County, New Mexico

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501

Attention: R. L. Stamets, Director

Approval is being requested to downhole commingle the Gillully "B" Federal No. 10 well in accordance with NMOCD Rule 303 C.

The Gillully "B" Federal No. 10 is located 660' FNL x 1980' FEL of Section 22, T-20-S, R-37-E, Lea County, New Mexico. The well was originally completed in the Monument Tubb-Drinkard (now the Monument Tubb Pool, R-2800) on 7-21-63. The Tubb was temporarily abandoned in March, 1985 and the well was recompleted to the Wier Blinebry. The well is currently on artificial lift in the Blinebry.

The immediate offset well to the Gillully "B" Federal R/A A No. 10 is Conoco's SEMU Skaggs No. 84, which is located in Unit A of Section 22, T-20-S, R-37-E. Conoco received approval to downhole commingle the Blinebry and Tubb zones under Administrative Order No. DHC-143.

In support of our request, we submit the following facts: