

Gulf Energy and Minerals Company - U. S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

March 7, 1977

P. O. Box 670
Hobbs, New Mexico 88240

Re: C. L. Hardy No. 5
Unit L, Section 20-21S-37E,
Lea County, New Mexico

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

Dear Sir:

Your administrative approval is requested for an exception to Rule 303-A to permit down-hole commingling of marginal production in the subject well from the Drinkard and Blinebry Oil and Gas Pools. Production from the same two pools is presently being commingled down-hole in Gulf's C. L. Hardy No. 3 per Order No. DHC-202. Production from these two pools is also being commingled in surface storage on Gulf's C. L. Hardy Lease per Orders No. R-1678, PC-357 and PC-357 Amended. There is no evidence of fluid incompatibility, and we do not expect any reservoir damage due to down-hole commingling in the well bore. Ownership in the two pools is common, and correlative rights will not be violated.

The installation of pumping equipment on the Drinkard zone would probably increase production and recoverable reserves; however, the installation of separate pumping equipment on the Drinkard zone cannot be economically justified. If down-hole commingling is permitted, the existing pumping equipment on the Blinebry zone will be utilized to lift the fluids from the two commingled zones. We propose to tube the well through the Drinkard zone and keep the well pumped down to prevent cross flow between the two zones.

Since pumping production from the Blinebry zone has stabilized, we propose to allocate production between the two zones by subtracting Blinebry production from the stabilized commingled production and assigning the remaining production to the Drinkard zone.

Pertinent data regarding this application, as outlined in Rule 303-C, are attached for your consideration.

Yours very truly,



C. D. BORLAND

Attachments
CRK/dch

cc: New Mexico Oil Conservation Commission
P. O. Box 1980, Hobbs, NM 88240

C. F. Kalteyer - Midland

Offset Operators:
Petro-Lewis
J. W. Peery

