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Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT

HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

July 11, 1974

P. O. Box 670
Hobbs, New Mexico 88240

Re: Nancy Stephens No. 3,
Unit C, Section 24-21S-37E,
Lea County, New Mexico

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Your administrative approval is respectfully requested for an exception to Rule 303-A to permit down-hole commingling of marginal production in the subject well. The Drinkard and Blinebry Oil production on this lease is presently commingled in storage on the surface under Administrative Order PC-138. Surface commingling indicates that the fluids are compatible, and we do not expect any waste or 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. Down-hole commingling will allow the recovery of additional hydrocarbons from this well. Should secondary recovery operations become practical in the future, the two zones could be separated at that time without damaging either reservoir.

The Blinebry Oil zone is presently temporarily abandoned on the tubing-casing annulus; therefore, no recent production or test history is available on the Blinebry Oil zone. In view of this, we suggest that the commingling order be issued at this time, and the allocation formula between the Blinebry Oil and Drinkard Oil zones be delayed for a minimum 30 day period to allow stabilization of production and adequate testing of the Blinebry Oil zone. Production during this stabilization period could be allocated on the basis of recent tests of the Drinkard zone.

Information on this matter, as outlined in Order R-3845, is attached for your consideration.

Yours very truly,



C. D. BORLAND

CRK:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
Continental Oil Co., Box 460, Hobbs, N.M.
Mobil Oil Corporation, Box 1800, Hobbs, N.M.
Arco, P. O. Box 1710, Hobbs, N.M.



Re: Nancy Stephens No. 3

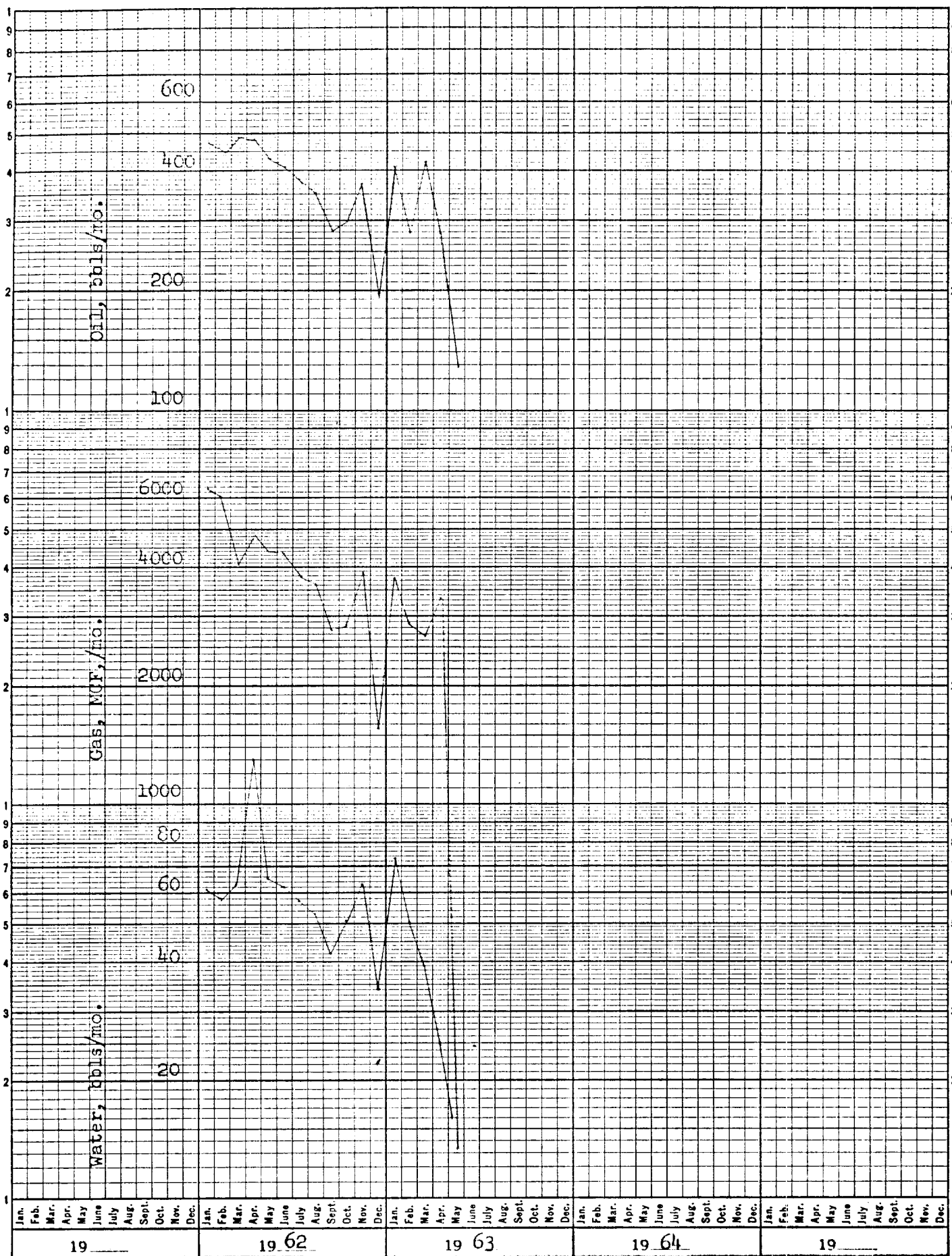
1. Operator: Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240
2. Lease and Well Number: Nancy Stephens No. 3
660' FNL 1980' FWL
Section 24-21S-37E
Lea County, New Mexico
3. Pools Dualled: Blinebry Oil and Drinkard Oil,
OCC Order No. MC-1306, April 15, 1963.
Well was not dualled - Blinebry oil is
TA on tubing-casing annulus.
4. Decline Curves: Attached - no recent decline
curve available on Blinebry
Oil zone
5. Estimated BHP (based on most recent
available BHP data within vicinity
of this well)

	<u>Datum</u>	<u>Pressure at Datum</u>
Blinebry Oil	-2400'	650 psi
Drinkard Oil	-3050'	630 psi
6. Fluid Characteristics: Drinkard and Blinebry production is
presently being commingled on this
lease, Order No. PC-138. There has
been no evidence of incompatibility.
7. Value of Commingled Fluids:

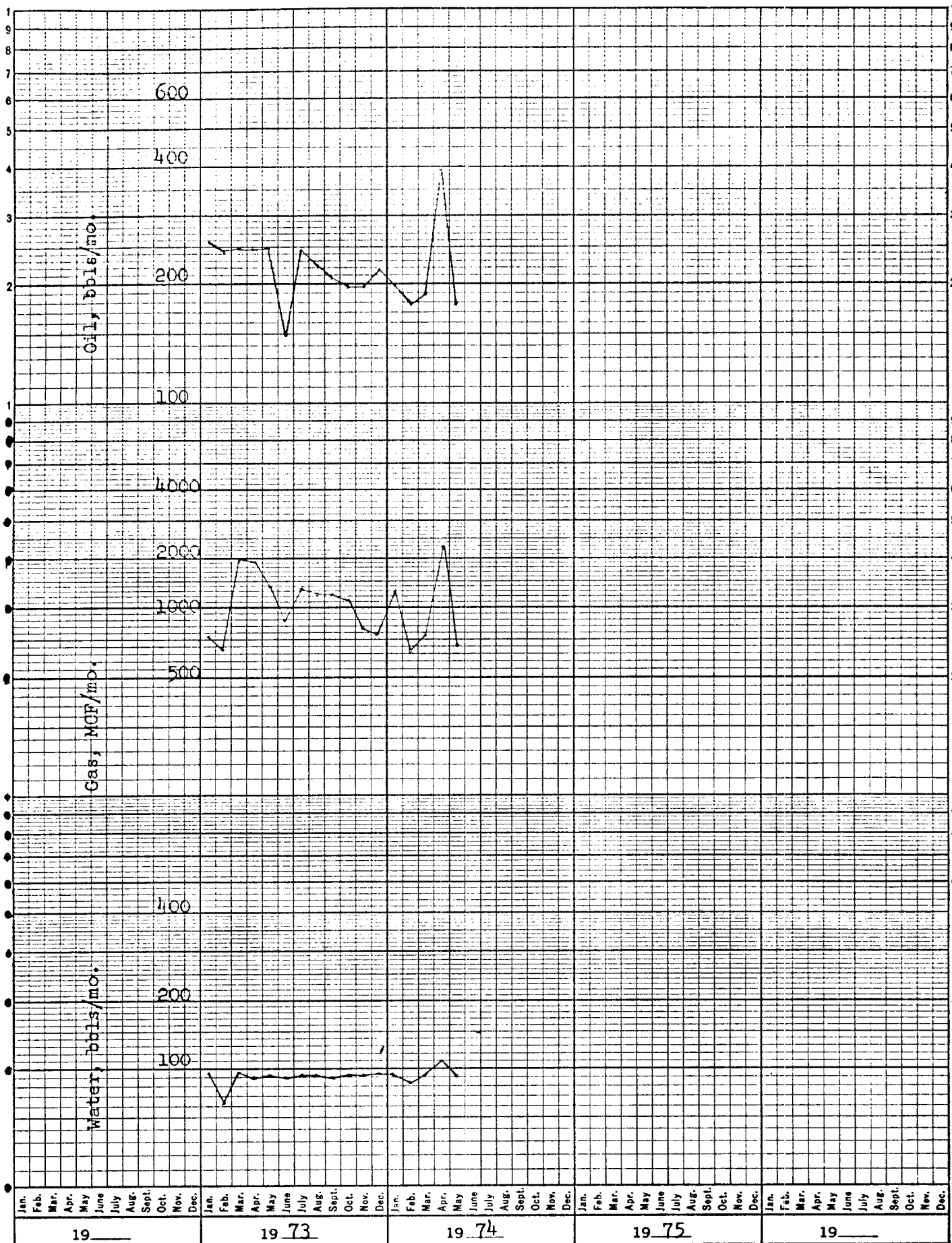
	<u>BOPD</u>	<u>API Gvty @ 60°</u>	<u>\$/Bbl.</u>	<u>Rev/Day</u>
Drinkard	8	38.7	\$10.07	\$ 80.56
Blinebry Oil	10	37.5	\$10.05	<u>\$100.50</u>
				\$181.06
Commingled:	18	38.0	\$10.07	\$181.26
Difference:				+ \$ 0.20
8. Current Tests: Drinkard (7-10-74) 8 bo, 2 bwpd, GOR
6,500

Blinebry (3-2-63) 10 bopd, 2 bwpd, GOR
11,300 (this is latest available Blinebry
oil test - TA since 1963)
9. All offset operators have been notified by copy of attached letter.
Continental Oil Co., Box 460, Hobbs, New Mexico 88240
Mobil Oil Corporation, Box 1800, Hobbs, New Mexico 88240
Arco, P. O. Box 1710, Hobbs, New Mexico 88240

CRK:ptg
7-11-74



Gulf Oil Company - U. S.
 Nancy Stephens #3
 Monthly Production - Terry Blinebry



Gulf Oil Company - U. S.
 Nancy Stephens #3
 Monthly Production - Drinkard

NANCY STEPHENS #3

DRINKARD MONTHLY

(TERRY) BLINEBRY MONTHLY

		OIL	gas	WATER	Days		OIL	GAS	WATER	DAYS
	19 73					19 62				
	Jan.	256	765	93		Jan.	476	6305	61	
	Feb.	244	689	94		Feb.	448	6228	58	
	Mar.	248	1094	92		Mar.	457	4618	63	
	Apr.	247	1941	90		Apr.	480	4833	130	
	May	248	1370	92		May	429	11396	65	
	June	142	242	90		June	402	41378	62	
	July	246	1345	93		July	344	3768	57	
	Aug.	222	1243	92		Aug.	351	3627	53	
	Sep.	207	1239	92		Sep.	281	2760	42	
	Oct.	196	1111	92		Oct.	297	2836	51	
	Nov.	196	830	92		Nov.	372	3875	65	
	Dec.	217	822	92		Dec.	192	1552	34	
		3675	14250	1040			4595	48376	739	
		30570					54680			
		OIL	GAS	WATER	DAYS		OIL	GAS	WATER	DAYS
	19 74					19 63				
	Jan.	199	1291	93		Jan.	410	3772	73	
	Feb.	179	663	84		Feb.	278	2875	50	
	Mar.	189	778	92		Mar.	424	2667	39	
	Apr.	392	2558	115		Apr.	277	3351	26	
	May	178	721	90		May	128	3	12	
	June					June				
	July					July				
	Aug.					Aug.				
	Sep.					Sep.				
	Oct.					Oct.				
	Nov.					Nov.				
	Dec.					Dec.				
							1517	12665	179	
		OIL	GAS	WATER	DAYS		OIL	GAS	WATER	DAYS
	19					19				
	Jan.					Jan.				
	Feb.					Feb.				
	Mar.					Mar.				
	Apr.					Apr.				
	May					May				
	June					June				
	July					July				
	Aug.					Aug.				
	Sep.					Sep.				
	Oct.					Oct.				
	Nov.					Nov.				
	Dec.					Dec.				