

Gulf Energy and Minerals Company - U. S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

June 7, 1976

P. O. Box 670
Hobbs, New Mexico 88240

Re: Harry Leonard (NCT-C) No. 15
Unit G, Section 36-21S-36E,
Lea County, New Mexico

cc: *[Handwritten signature]*
Mr. Joe D. Ramey
P. O. Box 2088
New Mexico Oil Conservation Commission
Santa Fe, New Mexico 87501

Dear Sir:

Your administrative approval is requested for an exception to Rule 303-C-2 as provided for under Order R-5114 to permit down hole commingling of marginal Blinebry and Drinkard production in the subject well. The Blinebry and Drinkard production on this lease are currently down hole commingled in the well bores of Well No. 12, Order DHC-196, and Well No. 17, Order R-5114. There is also surface commingling on this lease under Order PC-512. The filing fee on this lease has previously been paid to the Commissioner of Public Lands.

There is no evidence of fluid incompatibility and we do not expect any water 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. Both zones will have to be pumped.

The subject well was deepened to and completed in the Drinkard zone during the last quarter of 1975. Attached is the completion history of the Drinkard zone, as well as the latest production test. Also attached is a decline curve and last well test on the Blinebry zone before temporarily abandoning.

If you concur, it is our recommendation, based on the production history and last well test for each zone, that the following allocation of production be made:

Blinebry Zone:	Oil = 29%	Gas = 47%
Drinkard Zone:	Oil = 71%	Gas = 53%

Should secondary recovery operations become practical in the future, the two zones could be separated at that time without damaging either reservoir.

Also attached is other pertinent data regarding this application as outlined in Rule 303-C-2.

Yours very truly,

[Handwritten signature: C. D. Borland]
C. D. BORLAND

RDW:ptg
Att'd.



cc: *[Handwritten circle around OCC]* OCC, Hobbs; C. F. Kalteyer, Midland; Offset Operators

1. Operator: Gulf Oil Corporation, P. O. Box 670, Hobbs, New Mexico 88240
2. Lease: Harry Leonard (NCT-C) No. 15, Unit G, Section 36-21S-36E, Lea County, N.M.
3. Well History; Production History, Decline Curve and Latest Tests: The Harry Leonard (NCT-C) No. 15 was deepened to the Drinkard zone during October and November, 1975 and a 4" liner set. The well was perforated in four 3' zones between 6586-6698' with four .36" JHPF, acidized and frac stimulated. The well was equipped to pump and initial production was 122 bopd and 58 bwpd.

Decline curves and production history for both zones, along with the latest C-116 are attached.

4. Bottom Hole Pressure Data: Blinebry: Datum -2130; Pressure at Datum 900 psi*
Drinkard: Datum -3130; Pressure at Datum 1050 psi*

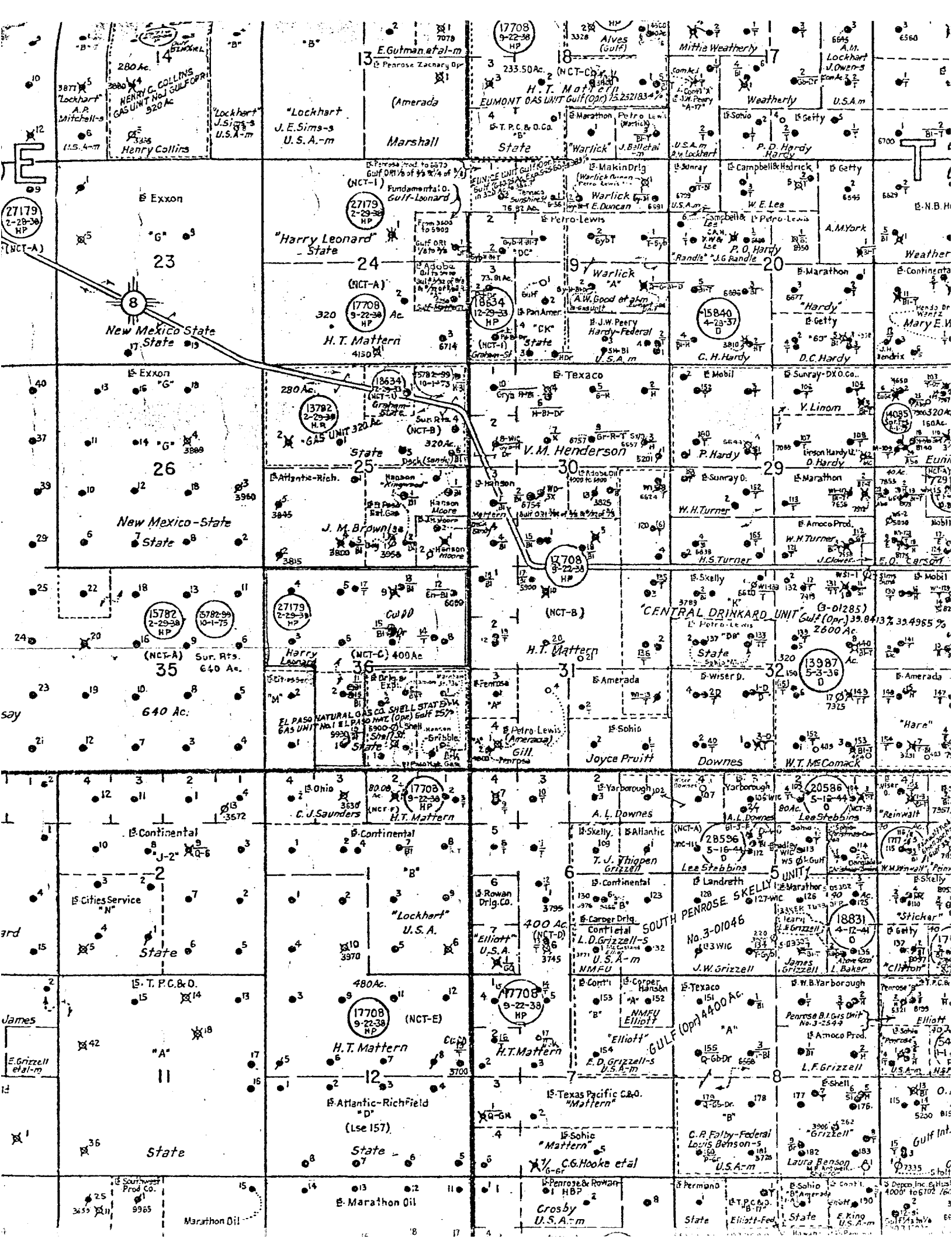
*Estimates based on most recent available average BHP data within vicinity of well.

5. Fluid Characteristics: Blinebry and Drinkard production are currently being commingled in the well bores of the Harry Leonard (NCT-C) No. 12, Order DHC-196, and the Harry Leonard (NCT-C) No. 17, Order R-5114. These two pools are also surface commingled on the lease under Order PC-5112. There is no evidence of incompatibility.
6. Value of Commingled Fluids:

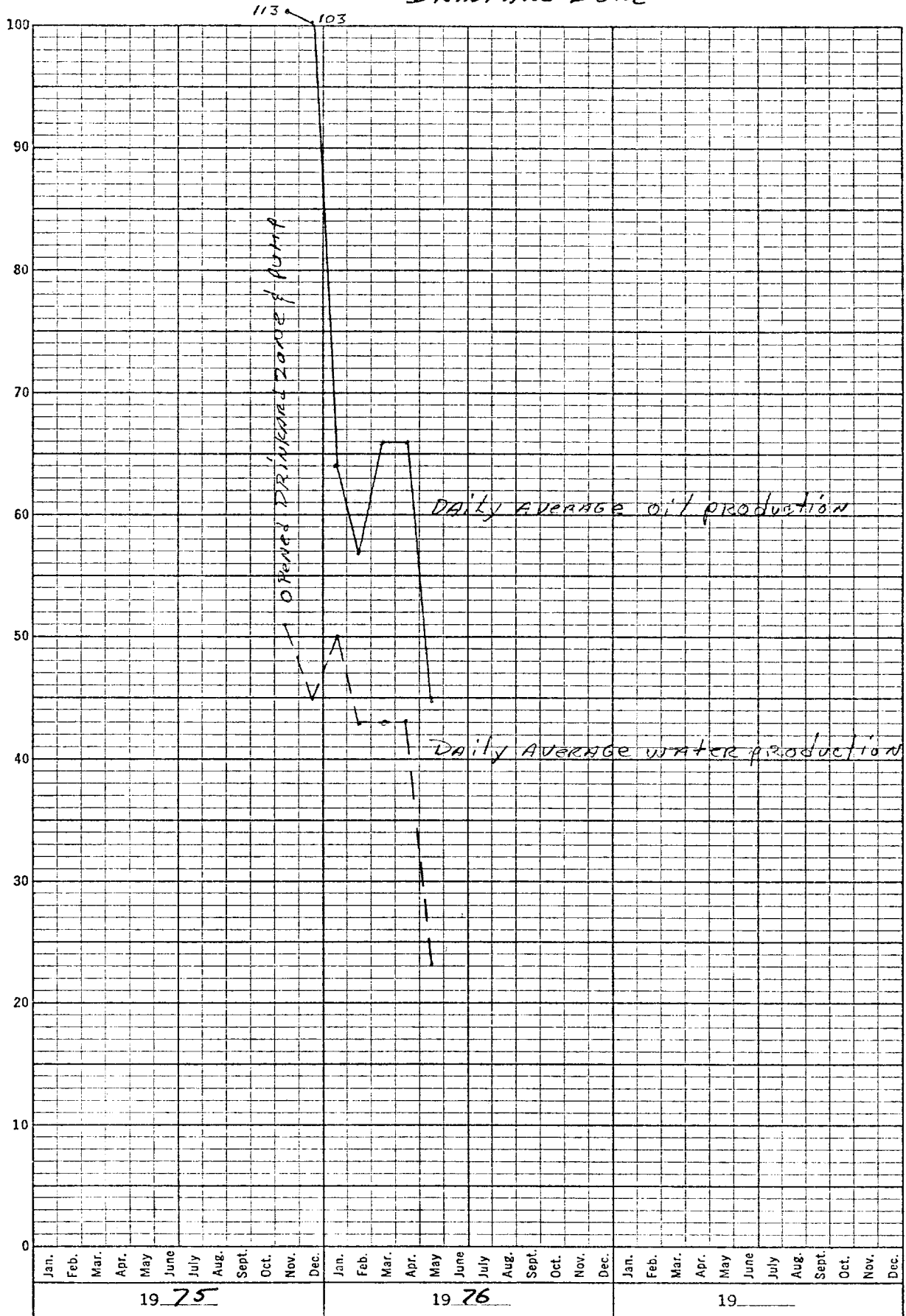
	<u>BOPD</u>	<u>API Gravity</u>	<u>\$/Barrel</u>	<u>\$/Revenue/Day</u>
Blinebry	13	36.8	\$ 6.93	\$ 90.09
Drinkard	32	39.0	\$12.30	<u>\$393.60</u>
Total				\$483.69
Commingled	45	38.4	\$10.75	\$483.75
Difference				+\$ 00.06

7. All offset operators have been notified by copy of the attached letter:

Shell Oil Company, Box 1509, Midland, Texas 79701
 Jack Markham, 1500 Broadway, Suite 1212, Lubbock, Texas 79401
 Hanson Oil Company, Box 1515, Roswell, New Mexico 87201



HARRY LEONARD (NCT-C) #15
DRINKARD ZONE



661's
1000

HARRY LEARNED (107-1) #15

900

MONTHLY PRODUCTION

800

700

BLINEBY OIL

600

500

7B BLINEBY ZONE

400

300

200

100

0

BLINEBY WATER

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
19 73											
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
19 74											
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
19 75											

C-116
Revised 1-1-65

June 7, 1976

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Gulf Oil Corporation		Pool Blinebry Oil		County Lea										
Address Box 670, Hobbs, N. M.		TYPE OF TEST - (X)		Completion ☐ Special ☐										
LEASE NAME ry Leonard (NCT-0) (continued)	WELL NO. 15	LOCATION U S T R		DATE OF TEST 7-6-75	STATUS P	CHOKE SIZE 2 1/2" WD	TBG. PRESS. 35	DAILY ALLOW-ABLE 27	LENGTH OF TEST 24 HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BB.
		36	21	36						7-6-75	3	36.8	13	

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas oil ratio test, each well shall be produced at a rate not exceeding the top well allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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I hereby certify that the above information is true and complete to the best of my knowledge and belief.

[Signature]
(Signature)

Well Tester

October 9, 1975 (Date)

(Date)