Gulf Oil Exploration and Production Company

October 11, 1978

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

P. O. Box 670
Hobbs, NM 88240

OCC - Hobbs

Re: H. T. Mattern (NCT-C) No. 12,
Section 8-21S-37E, Lea County,
New Mexico - Request for Approval
to Downhole Commingle Blinebry
and Drinkard Pools

Mr. Joe D. Ramey
State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Your administrative approval is requested for an exception to Rule 303-A to permit downhole commingling of production in the subject well from the Blinebry and Drinkard Pools (commingled in surface storage by Administrative Order PC-517, dated 9-8-75). Production from the same two pools is presently being commingled downhole in Gulf's H. T. Mattern (NCT-C) Wells No. 5 and 8 per Order No. R-5274, dated August 31, 1976. There is no evidence of fluid incompatibility, and we do not expect any reservoir damage due to downhole commingling in the well bore. Ownership of the two pools in the subject well is common and correlative rights will not be violated.

Currently Well No. 12 is temporarily abandoned in the Drinkard Pool by a cast iron bridge plug at 6500' and temporarily abandoned in the Tubb Pool by a cast iron bridge plug at 6100'. A single pumping unit installation is used to produce fluids from the Blinebry Pool. Upon approval to downhole commingle, we will drill out the abandonment plug at 6100', squeeze cement the Tubb perforations, drill out the cement retainer and cement, test squeeze work, drill out the abandonment plug at 6500' and downhole commingle the Drinkard and Blinebry Pools.

We propose to tube the well to the Drinkard and utilize the existing pumping equipment to lift the fluids of the commingled zones.

Additional information concerning this application as outlined in Rule 303-C is attached for your consideration.

Yours very truly,

R. C. Anderson

R. C. ANDERSON

LBI:ptg
Att'd.

cc: See attached sheet

cc: Energy and Minerals Department
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

Continental Oil Company
P. O. Box 460
Hobbs, NM 88240

Campbell & Hendrick
P. O. Box 401
Midland, TX 79701

Texaco Inc.
P. O. Box 728
Hobbs, NM 88240

Sohio Petroleum Company
P. O. Box 3000
Midland, TX 79701

Getty Oil Company
P. O. Box 249
Hobbs, NM 88240

Apco Oil Company
P. O. Box 1027
Odessa, TX 79760

Sun Oil Company
P. O. Box 1205
Hobbs, NM 88240

Marathon Oil Company
P. O. Box 2409
Hobbs, NM 88240

Petro-Lewis Corporation
P. O. Box 509
Levelland, TX 79336

Shell Oil Company
P. O. Box 1509
Midland, TX 79701

Texas Pacific Oil Company
P. O. Box 4067
Midland, TX 79701

Amerada Hess Corporation
P. O. Box 840
Seminole, TX 79360

bcc: C. F. Kalteyer - Midland
Gene Cox - Midland
Proration Unit - Midland

Gulf's H.T. Mattern (NCT-C) Lease
Gulf wells a c in Drk & BL Pools
Gulf well proposed dhc in Drk. & BL. Pools
EUMONT HARDY UNIT
Continental Oil (Oper.)
Gulf 0.89942 %
3.02445-00
T. 20 S.
H.T. Mattern (NCT-C) #12
H.T. Mattern (NCT-C) #8
H.T. Mattern (NCT-C) #5
EUMONT GAS UNIT Gulf (Opr) 15.252183 %
T21S R37E
State
U.S.A.-m

1. Operator: Gulf Oil Corporation, Box 670, Hobbs, N.M. 88240

2. Lease and Well No.: H. T. Mattern (NCT-C) Well No. 12, Unit E, Section 8-21S-37E, Lea County, New Mexico

3. Well History: Well No. 12 was drilled to a total depth of 6800' with 5½" production casing set at 6800'. On June 21, 1977, the 5½" casing was perforated with 2, ½" JHPF in the Drinkard interval 6738-40'. The interval 6738-40' was then treated with 250 gallons 15% NEHCL acid. On June 27, 1977 additional Drinkard zones were added by perforating the 5½" casing with 2, ½" JHPF in the interval 6567-6720. The interval 6567-6720' was then acidized with 2,084 gallons 15% HCL acid and fraced with 20,000 gallons 8/6#/gal gelled water plus 1-21/3# 20-40 SPG. The well was equipped to pump on July 12, 1977, and the Drinkard potentialed on August 24, 1977 for 15 bopd and 12 bwpd, pumping. The Drinkard was abandoned on January 4, 1978 by setting a CIBP at 6500' and the production casing was then perforated with 2, ½" JHPF in the Tubb interval 6170-6424'. The Tubb was acidized with 4,000 gallons 15% NEHCL acid. Production was non-commercial. The Tubb was abandoned on January 31, 1978 by setting a CIBP at 6100' and the production casing was again perforated with 2, ½" JHPF in the Blinebry zone 5570-5862'. The Blinebry was acidized on February 2, 1978 with 5,000 gallons 15% NEHCL acid and fraced on February 6, 1978 with 60,000 gallons gelled water, 57,000# 20-40 sand and 27,000# 100 mesh sand. The Blinebry potentialed on March 13, 1978 for 32 bopd, 120 MCFGPD and 59 bwpd, pumping.

4. Decline Curves: Drinkard Oil and Blinebry Oil (attached).

5. Bottom Hole Pressure Data:
Blinebry: Datum -2184; pressure at datum 675 psi*
Drinkard: Datum -3132; pressure at datum 850 psi*
*Estimates based on most recent available BHP data within vicinity of well and fluid level test.

6. Fluid Characteristics: Blinebry and Drinkard are presently being commingled downhole in Gulf's H. T. Mattern (NCT-C) Nos. 5 and 8 wells, Order No. R-5274 dated August 31, 1976. There is no evidence of fluid incompatability.

7. Value of Commingled Fluids: Blinebry and Drinkard production are presently being surface commingled on this lease per Administrative Order PC-517 dated September 8, 1975. Since production is already being commingled on the surface, downhole commingling will not effect the price.

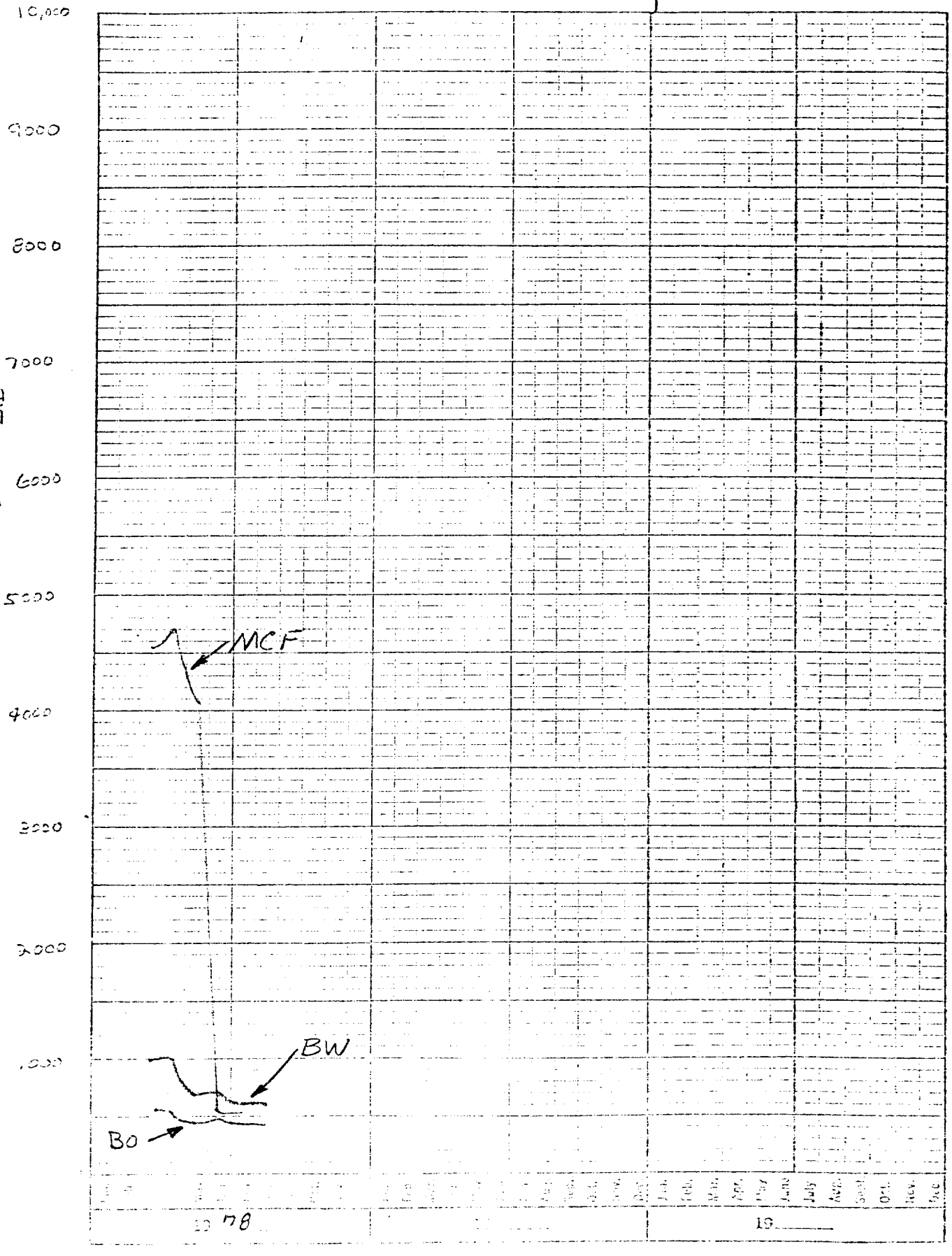
8. Production Tests: See attached C-116

9. All offset operators have been notified by a copy of this application.

LBI:ptg
10-3-78

Lease/well Mattern (ET-C) #12

Pool Blinebry



Lease/well Mattern "NCT-C" #12

Pool Drinkard