OCC

Gulf Oil Exploration and Production Company

November 7, 1978

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

P. O. Box 670
Hobbs, NM 88240

Re: Alice Paddock No. 6,
660'FSL & 2230'FEL Section 1,
T22S-R37E, Lea County, New Mexico
Request Administrative Approval
to Commingle Downhole the Drinkard
and Wantz Granite Wash Pools

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 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 Drinkard and Wantz Granite Wash pools (commingled in surface storage by Administrative Order PC-500 dated December 9, 1974). Production from the same two pools is presently being commingled downhole in Sohio's Hinton No. 13 (located in Unit L, Section 12-22S-37E). There is no evidence of fluid incompatibility and we do not expect any reservoir damage due to downhole commingling in the well bore in Well No. 6. Ownership of the two pools is common and correlative rights will not be violated.

Currently, Well No. 6 utilizes a dual tubing string. A single pumping unit installation is used to lift the fluids from the Wantz Granite Wash pool, which was shut in on November 3, 1977, because of a stuck rod pump. Prior to being shut in, it was tested on November 3, 1977 and produced 7 BOPD, 1 BWPD and 63 MCFGPD. The Drinkard pool is now flowing on plunger lift with intermitter. See attached C-116 for current production test on the Drinkard zone.

A tubing-rod stripping job will be required to recover the rod pump from the Wantz Granite Wash string. In order to avoid any additional problems with the dual tubing string in the subject well, Gulf requests special consideration to downhole commingle the Drinkard and Wantz Granite Wash pools. The special consideration is needed because the Wantz Granite Wash requires artificial lift and the Drinkard is flowing on plunger lift with intermitter and we are presently unable to obtain a current production test on the Wantz Granite Wash due to downhole mechanical problems.

If downhole commingling is permitted, the existing pumping equipment on the Wantz Granite Wash will be utilized to lift the fluids from the two commingled zones. We propose to tube the well through the Wantz Granite Wash zone and keep the well pumped down to prevent cross-flow between the two zones.

Upon your approval to downhole commingle, Gulf will consult with the Supervisor of the Hobbs District Office of the Energy and Minerals Department, Oil Conservation Division, to determine an allocation formula.

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

Attachments
LBI/dch

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

Getty Oil Company
P. O. Box 730
Hobbs, NM 88240

Atlantic Richfield Company
P. O. Box 1610
Midland, TX 79702

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

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

Sohio Petroleum Company
P. O. Box 3000
Midland, TX 79702

Exxon Company, USA
P. O. Box 1600
Midland, TX 79701

Solar Oil Company
P. O. Box 5596
Midland, TX 79701

ALICE PADDOCK NO. 6

(1) Operator: Gulf Oil Corporation, P. O. Box 670, Hobbs, NM 88240

(2) Lease & Well No.: Alice Paddock No. 6, 660'FSL & 2230'FEL Section 1-22S-37E, Lea County, New Mexico.

(3) Pools Dualled: Drinkard and Wantz Granite Wash, OCC Administrative Order MC-2143, dated November 8, 1974.

(4) Decline Curves: Attached.

(3) Bottom Hole Pressure Data:

Drinkard:	Datum -3291	Pressure @ Datum	665*
Wantz Granite Wash:	Datum -4076	Pressure @ Datum	898*

*Estimates based on most recent available BHP data within vicinity of well and fluid level test.

(6) Fluid Characteristics: Drinkard and Wantz Granite Wash are currently being commingled downhole in Sohio's Hinton No. 13. There has been no evidence of fluid incompatibility.

(7) Well History: Well No. 6 was drilled to a total depth of 7504' with a 7" oil string being set at 7503'. Current PBTD is 7478'. On 9-9-74 the oil string was perforated with 4 - 1/2" JHPF in the Wantz Granite Wash interval 7423-7455'. The Wantz Granite Wash was acidized with 2500 gallons 15% NE HCl acid and fractured with 25,000 gallons gelled water plus 1 - 2# 20-40 SPG. After isolating the Wantz Granite Wash the oil string was perforated with 2 - .72" JHPF in the Drinkard interval 6356-6952'. The Drinkard was acidized with 2500 gallons 15% NE HCl and fractured with 56,000 gallons gelled water plus 1 - 2# 20-40 SPG. On October 11, 1974 the Wantz Granite Wash was equipped to pump and the Drinkard was equipped with plunger lift. Both zones potentialed as follows on November 11, 1974:

Wantz Granite Wash - 86 BOPD and no water, pumping
Drinkard - 42 BOPD and 3 BWPD, flowing on plunger lift

(8) Value of Commingled Fluids: Drinkard and Wantz Granite Wash are currently being surface commingled on Gulf's Alice Paddock Lease, per Administrative Order PC-500, dated December 9, 1974. Both zones are classified as stripper and downhole commingling will not affect the price.

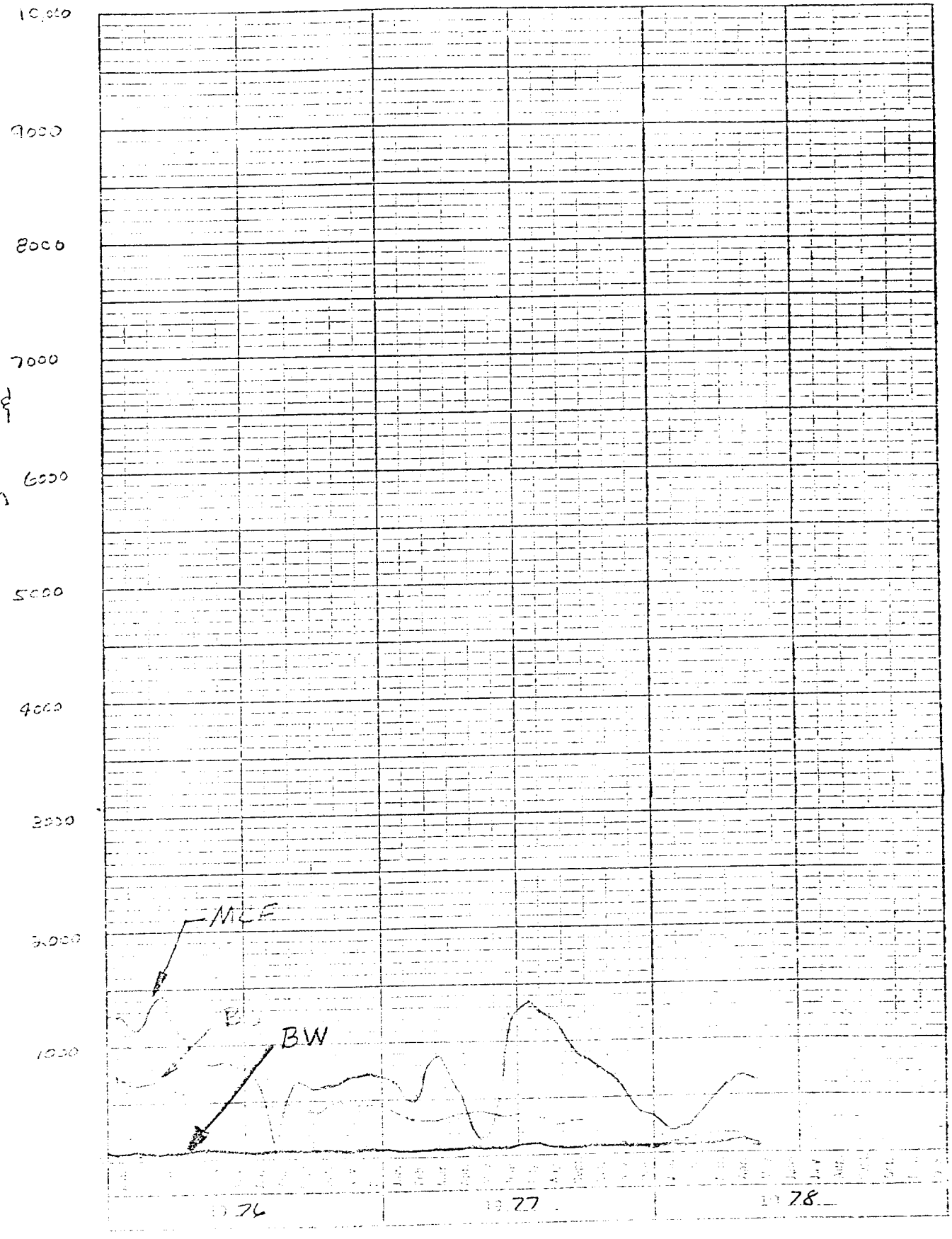
(9) Current Production Tests: Most recent well test on Wantz Granite Wash, dated November 3, 1977 is 7 BOPD, 1 BWPD and 63 MCFGPD. See attached C-116 for last Drinkard well test.

(10) All offset operators have been furnished a copy of this application.

Getty Oil Company, P. O. Box 730, Hobbs, NM 88240
Atlantic Richfield Company, P. O. Box 1610, Midland, TX 79702
Marathon Oil Company, P. O. Box 2409, Hobbs, NM 88240
Sun Oil Company, P. O. Box 1205, Hobbs, NM 88240
Sohio Petroleum Company, P. O. Box 3000, Midland, TX 79702
Exxon Company, USA, P. O. Box 1600, Midland, TX 79701
Solar Oil Company, P. O. Box 5596, Midland, TX 79701

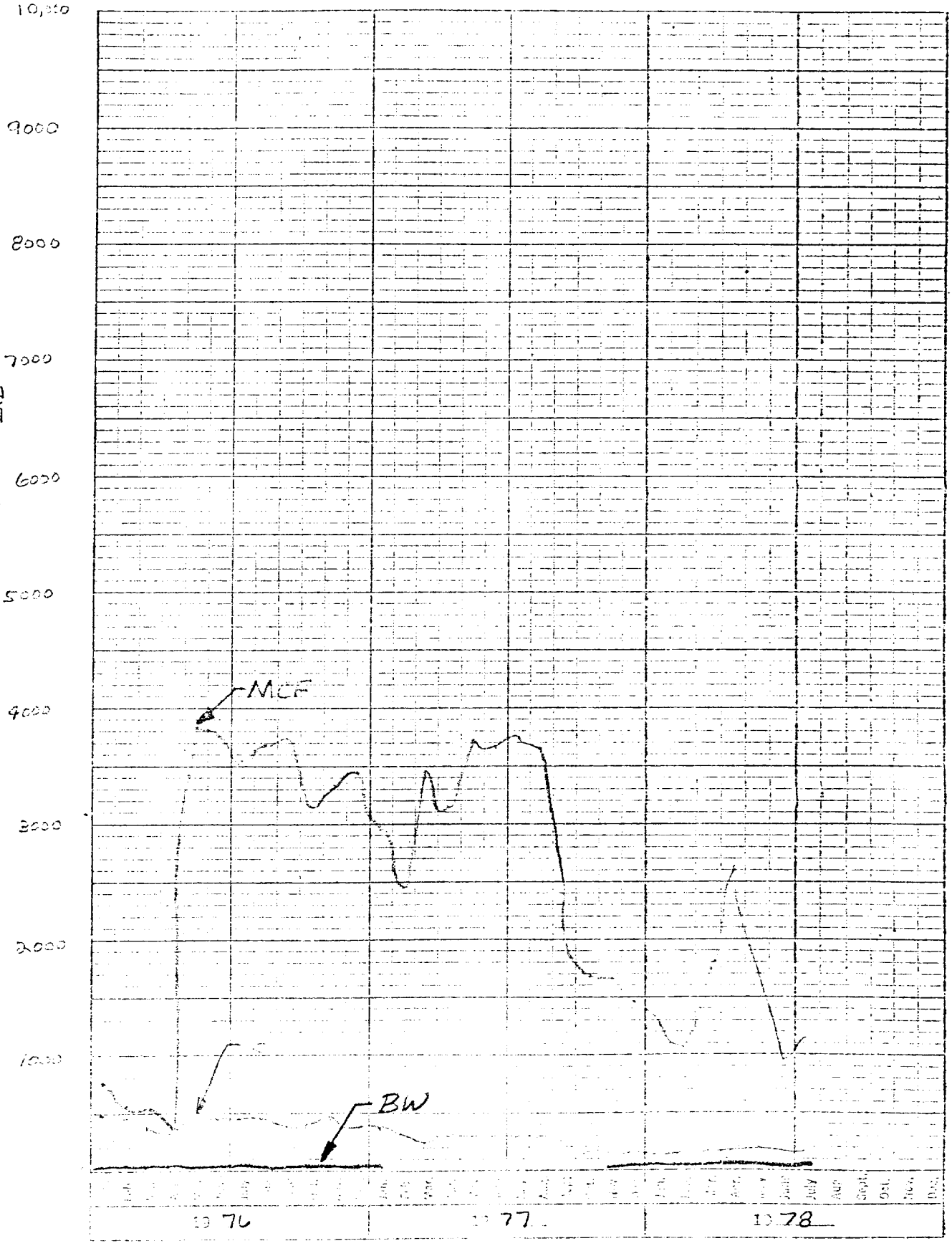
Lease/well Alice Paddock #6

Pool Wantz Granite Wash



Lease/well Alice Pac Lock #6

Pool Drinkard



NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS

C-116
Revised 1-1-65

Operator	Pool	County
Gulf Oil Corporation	Wantz Granite Wash	Lea

Address	TYPE OF TEST - (X)			
P. O. Box 670, Hobbs, NM 88240	Scheduled [ ]	Completion [ ]	Special [X]	

LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BBL
		U	S	T	R							WATER BBLS.	GRAV. OIL	OIL BBLS.	GAS M.C.F.	
Alice Paddock	6	O	1	22	37	11-3-77	P	28/64"	20	7	24	1	36.8	7	63	9000

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 unit 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.

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

(Signature)

Well Tester
(Title)

November 7, 1978

NEW MEXICO OIL CONSERVATION COMMISSION

GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator	Pool	County
Gulf Oil Corporation	Drinkard	Lea

Address	TYPE OF TEST - (X)			
P. O. Box 670, Hobbs, NM 88240	Scheduled [ ]	Completion [ ]	Special [X]	

LEASE NAME	WELL NO.	LOCATION U	S	T	R	DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BBLS.	GRAV. OIL	OIL BBLS.	GAS M.C.F.	GAS - OIL RATIO CU.FT/BBL
Alice Paddock	6	O	1	22	37	10-23-78	F	28/64"	200	11	24	0	36.3	6	50	8333

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 unit 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.

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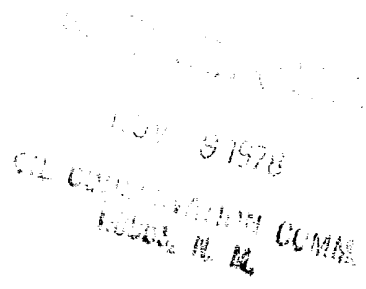
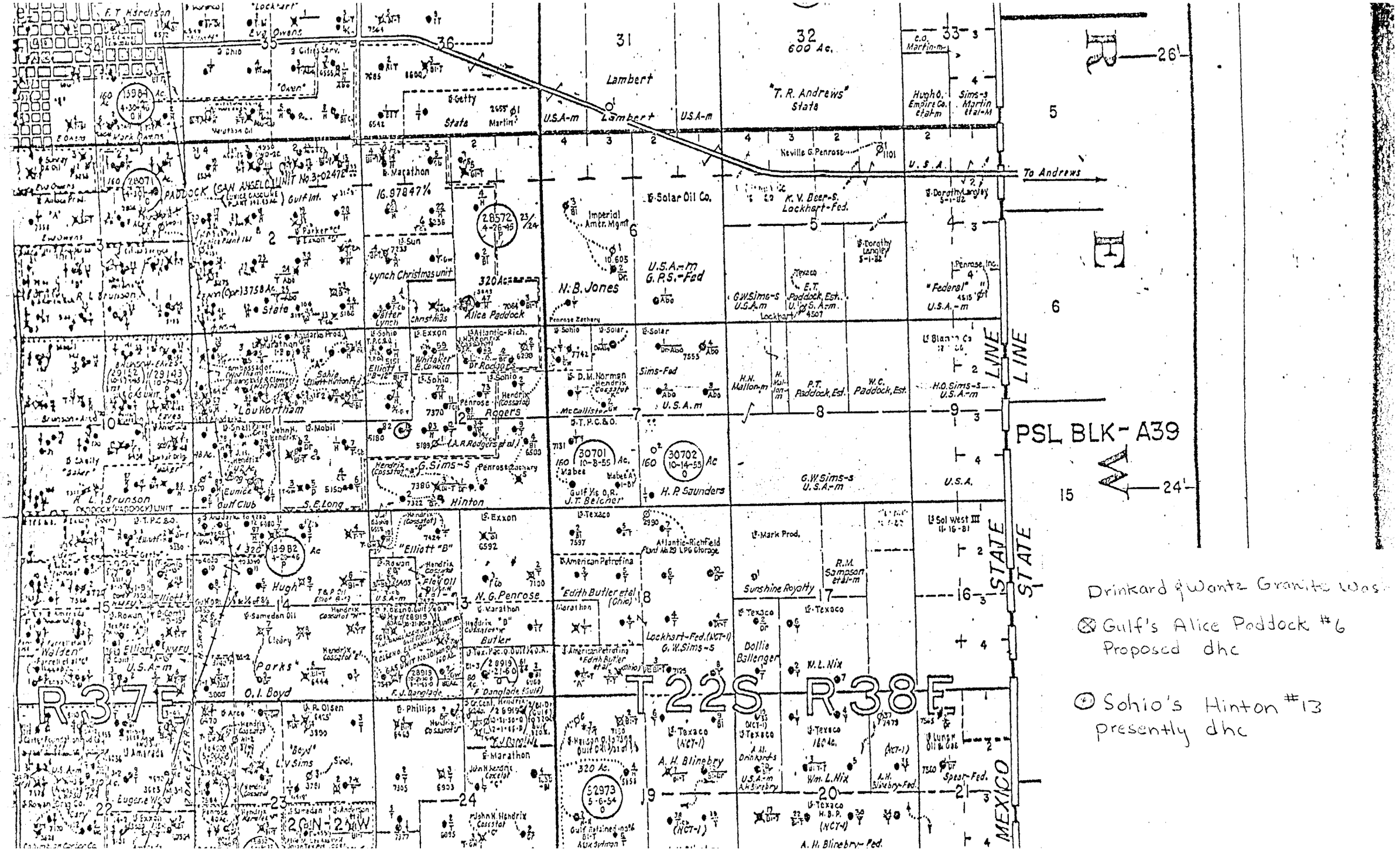
(Signature)

Well Tester

November 7, 1978




R37E
R38E
T22S
PSL BLK-A39
STATE LINE
STATE LINE
MEXICO
Lambert
"T. R. Andrews" State
32
600 Ac.
31
To Andrews
Drinkard & Wantz Granite Wash
⊗ Gulf's Alice Paddock #6
Proposed dhc
⊙ Sohio's Hinton #13
presently dhc

Location: 6600 FSL & 2230 FEL Sec 1-22S-37E County Lea State NM

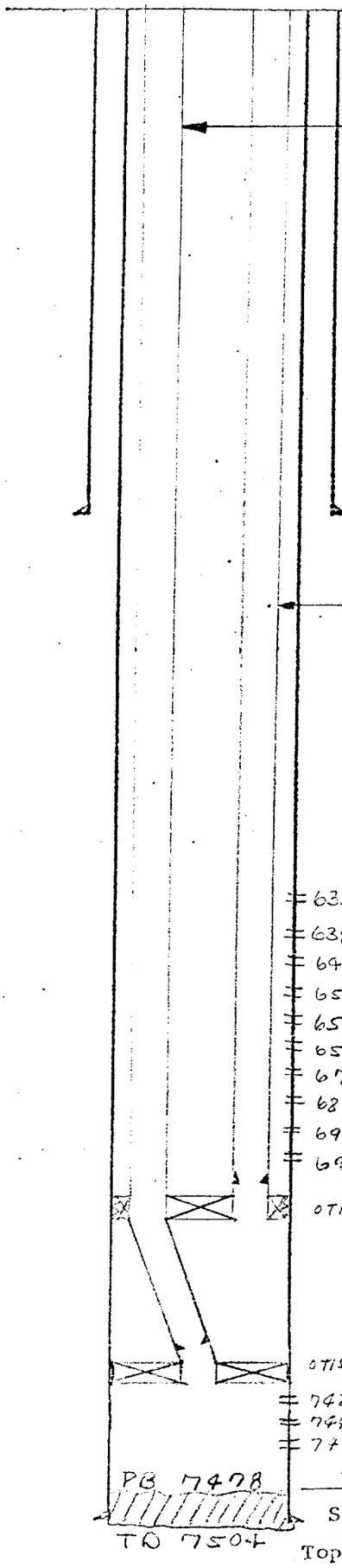
GLE: 3351

KDB: 3362.6

H = 11.6

Initial Comp. Date: 11-10-74

Producing Formation: WGW & Dr



Zone	Comp. Date	Dat
7423-455	11-10-74	
6356-952	11-10-74	

Treatment History: (Current

(9-9-74) Perf'd 7423-55. Trt'd w/ 2500 gal 15% NEHCL. Frac w/ 2500 gal gelled wtr + 1-2 # SPG.

(9-12-74) Perf'd Drk 6356-695 Trt'd w/ 2500 gal 15% NEHCL. Fra w/ 56,000 # gelled wtr +1-2 # S

(10-11-74) Drk & WGW equipped to pump

(11-15-74) WGW 86 BOPD, no wtr

Drk 42 BOPD, 3 BWP

Both zones pumping

Producing History:

Formation: _____

Month or Year	Oil	Water	G

Drk 10-23-78

Last Test Dated: WGW 11-3-77

(Drk.) 6 BOPD 0 BWPD 50

(WGW) 7 BOPD 1 BWPD 63

FL: _____ Calc. Ppg. Eff: _

Cu. Oil _____ Cum. Gas _____

Remarks:

Prepared by: L. B. Swanbeck

Date 11-6-78