

PETRO  LEWIS CORPORATION

Oil and Gas Producers

P.O. Box 16200
Lubbock, Texas 79490
806/894-8589

OIL CONSERVATION DIVISION

DEC 6 1982

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December 1, 1982

Oil Conservation Commission
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87501

ATTN: Richard L. Stamets
Examiner

Dear Mr. Stamets:

Pursuant to Petro-Lewis Corporation's application to downhole commingle the ABO, DRINKARD, and BLINEBRY production in the wellbore of its Art Yeager Well No. 1 located in Unit J of Section 24, Township 21 South, Range 37 East. This application appeared at the Examiner Hearing of November 23, 1982 as Case 7737.

The Examiner requested that the proposed gas allocation be checked and resubmitted. The original order DH3-73 dated October 12, 1970 to downhole commingle the ABO and DRINKARD production in the Art Yeager #1 allocated 90% of oil and gas production to the ABO and 10% to the DRINKARD for the indicated period of time.

(28 MONTHS)

January 1, 1980 to May 1, 1982

ABO and DRINKARD gas production: 15,500 MCF
ABO and DRINKARD oil production: 4,900 BBL

$$\frac{15,500}{4,900} = 3.173 \text{ (MCF/BBL)}$$

(6 MONTHS)

November 1, 1981 to May 1, 1982

ABO and DRINKARD gas production: 3,815 MCF
ABO and DRINKARD oil production: 1,088 BBL

$$\frac{3,815}{1,088} = 3.506 \text{ (MCF/BBL)}$$

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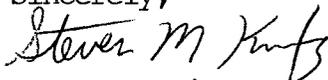
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The Blinebry 24 hour test of September 23, 1982 indicated a gas-oil ratio of 3.166 (MCF/BBL). The 24 hour test of November 16, 1982 indicated a gas-oil ratio of 3.333 (MCF/BBL).

Therefore, the original gas allocation of 40.9% to the ABO, 4.5% to the Drinkard, and 54.6% to the Blinebry is recommended. This corresponds to the original oil allocation that appears in the exhibits. The ABO, DRINKARD, and BLINEBRY have very similar gas-oil ratios. The ABO and DRINKARD 24 hour test of February 3, 1982 has an indicated gas-oil ratio of 2.100 (MCF/BBL). This value is low and should be disregarded when determining the correct gas allocation.

Sincerely,



Steven M. King
Petroleum Engineer

SMK/tm