BEFORE THE

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OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALUL 1 $^\circ$ 1984

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ARCO OIL & GAS COMPANY FOR DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO.

Case 8276

APPLICATION

COMES NOW Arco Oil & Gas Company, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for approval of downhole commingling, and in support thereof, respectfully states:

1. Applicant is the operator of the following wells located in Section 23, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico:

> Roy Barton Well No. 2, located in Unit B Roy Barton Well No. 3, located in Unit H S. J. Sarkeys Well No. 4, located in Unit P

2. Applicant proposes to commingle in the wellbore of each of said wells oil and gas production from the Blinebry, Drinkard and Wantz Abo Pools.

3. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste, and will not cause damage to either the Blinebry, Drinkard or Wantz Abo Pools.

4. Approval of this application will not impair the correlative rights of any offset operators.

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WHEREFORE, Arco Oil & Gas Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 25, 1984, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting the applicant permission to downhole commingle production from the Blinebry, Drinkard and Wantz Abo Pools in the wellbore of its Roy Barton Well No. 2, Roy Barton Well No. 3, and S. J. Sarkeys Well No. 4, all located in Section 23, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

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ATTORNEYS FOR ARCO OIL & GAS COMPANY