

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL API NO.	3002507043
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	367
7. Lease Name or Unit Agreement Name	State 367
8. Well No.	1
9. Pool name or Wildcat	Drinkard/ Blinebry Oil & Gas

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator ARCO Oil and Gas Company
3. Address of Operator P.O. BOX 1710
4. Well Location Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line Section 36 Township 21S Range 37E NMPM Lea County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3361' GR

11.

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data  
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER: Downhole Commingle <input checked="" type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

MIRU. Kill well with 2% KCl water. Install BOP. POH w/CA. RIH w/work string and mill out Model "D" pkr. POH & LD work string. RIH w/CA.

Administrative Order DHC-726

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

SIGNATURE James Cogburn by Phyllis Allman TITLE Services Supv.

TYPE OR PRINT NAME James Cogburn by Phyllis Allman

DATE 6/15/89

TELEPHONE NO. 392-3551

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON

APPROVED BY DISTRICT I SUPERVISOR

TITLE

CONDITIONS OF APPROVAL, IF ANY:

DATE

JUN 16 1989

CF



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

ADMINISTRATIVE ORDER DHC-726

ARCO Oil & Gas Company  
P.O. Box 1610  
Midland, TX 79702

Attention: Jack T. Lowder

State "367" Well No. 1  
Unit M, Section 36, Township 21 South, Range 37  
East, NMPM, Lea County, New Mexico.  
Drinkard & Blinebry Oil & Gas Pools

Dear Mr. Lowder:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 4000 by the top unit allowable for the Blinebry Oil & Gas Pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Pool: Oil 62%, Gas 52%  
Drinkard Pool: Oil 38%, Gas 48%

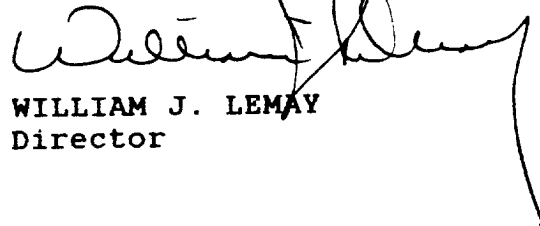
Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

CC: G. DENHAM  
JDC

Administrative Order DHC-726  
ARCO Oil & Gas Company  
May 8, 1989  
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Approved at Santa Fe, New Mexico on this 8th day of May, 1989.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY  
Director

S E A L

RECEIVED

JUN 16 1989

OCD  
HOBBS OFFICE