



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 14, 1986



1935 - 1985

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

AMENDED ADMINISTRATIVE ORDER NO. DHC-290

Arco Oil and Gas Co.
P. O. Box 1610
Midland, Texas 79702

Attention: Jack T. Lowder

Re: S. J. Sarkeys Well No. 3, Unit I, Sec. 23,
T-21-S, R-37-E, NMPM, Lea County
Blinebry, Drinkard and Wantz Abo Pools

Gentlemen:

Reference is made to your recent application for an amendment to Administrative Order No. DHC-290, dated September 7, 1979, which authorized the downhole commingling of production from the Blinebry and Drinkard pools in the wellbore, to permit the addition of a third zone of production to be commingled in the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production from the well shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 4,000 by top unit allowable for the Blinebry Oil and Gas Pool.

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

Blinebry Pool: Oil, 56%, Gas 71%
Drinkard Pool: Oil, 12%, Gas 7%
Wantz-Abo Pool: Oil, 32%, Gas 22%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets", written in dark ink.

R. L. STAMETS,
Director