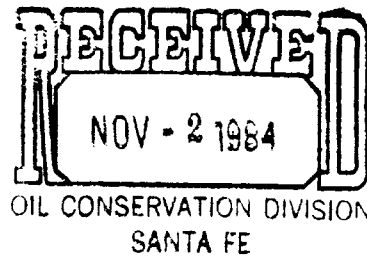


ARCO Oil and Gas Company

Permian District - West Area
P.O. Box 1710
Hobbs, New Mexico 88240
Telephone 505 392 3551



October 30, 1984

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. David Catanach

Re: Request to Amend Administrative Order PC-261 (Most recent amendment dated June 22, 1971)

Dear Mr. Catanach:

ARCO Oil and Gas Company requests that the above order, which currently authorizes the commingling of Blinebry oil, Drinkard oil, Blinebry condensate, and Tubb condensate from the State "367" Lease (Location: E/2 of NE/4, N/2 of SE/4, NE/4 of SW/4, W/2 of SW/4, Sec. 36, T21S, R37E) be amended to include Wantz-Abo oil. Also, that the Wantz-Abo Pool production be allocated by periodic well test.

The State "367" Well No. 3 has recently been completed in the Wantz-Abo, and is the first well in this zone on the lease. Production from this well is expected to be marginal and physically incapable of producing top unit allowable for the Wantz-Abo (Top unit allowable is 187 BOPD, GOR limit is 6000, top casinghead gas limit 1122 MCF). Oil production from the Wantz-Abo is considered to be New Mexico Intermediate Crude as are the commingled pools on this lease. Combined gravity for the commingled pools is 37.8° API (from August, September, and October pipeline runs), and the Wantz-Abo is 38.1° API (field measurement). Using production totals for the lease from September, 1984, and projecting a monthly total of 200 bbls. oil for the State "367" No. 3, the calculated combined price for the commingled pools together with the Wantz-Abo would be \$29.94/bbl. The current price for the commingled production alone is \$29.94/bbl., and the Wantz-Abo price is \$29.96/bbl. These prices reflect gravity deductions.

Offset Average Daily Production*

<u>Producer</u>	<u>Well</u>	<u>Direct. & Date</u>		<u>Status</u>	<u>Days</u>	<u>June 1984</u>			<u>DAYS</u>	<u>July 1984</u>		
		<u>Dist.</u>	<u>Compl.</u>			<u>BOPD</u>	<u>BWPD</u>	<u>MCFD</u>		<u>BOPD</u>	<u>BWPD</u>	<u>MCFD</u>
Amoco	State C Tr 13 No. 5	1700' NW	6-11-66	Aband.								
Cities Service	M. Owen No. 8	2500' W	7-27-77	Flwg.	30	5.8	-	23.6	30	1.2	-	23.6
Conoco	Lockhart B-35 No. 5	2500' NWW	10-16-77	Pmpg.	30	2.1	-	13.2	31	1.0	-	11.1

*Taken from New Mexico Oil and Gas Engineering Committee's Monthly Statistical Report

New Mexico Oil Conservation Division
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Attached is a tabulation of offset Wantz-Abo producers in the immediate area and their production for June and July, 1984. Their location is given with respect to the State "367" Well No. 3. Also included is current Wantz-Abo test data for the State "367" Well No. 3, a copy of the amended commingling order, and a copy of Form C-115 for the commingled lease production for September, 1984.

If you have any questions, please call me at Extension 205.

Sincerely,

Tony Carapezza cmj

Tony Carapezza
Production/Facilities Engineer

TC:jc

Attachments

Xc: Mr. Jerry Sexton - NMOCD, Hobbs
Mr. Jerry Guy - Hobbs
Mr. D. K. McSparran - MIO 646
Mr. Craig Tellinghuisen - Hobbs
Central Files

State 367 No. 3 Wantz-Abo Pool Test Data

<u>Date</u>	<u>Daily Production</u>			<u>GOR</u>	<u>Comments</u>
	<u>BOPD</u>	<u>BWPD</u>	<u>MCFD</u>		
10-11-84	25	63	32	1280	Well is on rod pump 22 Hr. test
10-12-84	46	17	55	1196	24 Hr. test
10-13-84	10	4	30	3000	24 Hr. test
10-14-84	10	7	37	3700	24 Hr. test
10-15-84	7	9	25	3571	24 Hr. test
10-16-84	13	4	24	1846	24 Hr. test
10-17-84	6	6	19	3167	24 Hr. test
10-18-84	7	7	22	3143	24 Hr. test
10-19-84	1	7	20	2000	24 Hr. test
10-20-84	8	6	19	2375	24 Hr. test
10-21-84	8	4	19	2375	24 Hr. test
10-22-84	6	6	19	3167	24 Hr. test. Well was finaled.

OPERATOR'S MONTHLY REPORT

DISBURSMENT

ORIGINAL TO OGC SANTA FE
ONE COPY TO CCC DIST. OFFICE
ONE COPY TO TRANSPORTER(S)Form 8-119
(Rev. 8-1-77)

ARCO Oil and Gas Company, Division of

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

79702

1984

SEP

156,171

POOL NAME (Underline) *Lease Name WELL NO UNIT SEC TWP RNG	INJECTION VOLUME	PRESS.	TOTAL LIQUIDS PRODUCED		GAS PRODUCED (MCF)	DAYS PROD.	DISPOSITION OF GAS			DISPOSITION OF OIL			OIL ON HAND AT END OF MONTH
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS OF WATER PRODUCED			BARRELS OF WATER PRODUCED	SOLD	TRANS-PORTER	OTHER	OIL ON HAND AT BEG. OF MONTH	BARRELS TO TRANS-PORTER	
*LEASE NAME - Include State Lease Number or Federal Lease Number													
<u>Blinebry Oil & Gas</u>													
State 367 3-11614													
1 M 36 21S 37E			-	-	33	1							
2 L 36 21S 37E			90	68	799	30							
3 K 36 21S 37E			120	-	-	-							
4 J 36 21S 37E			90	76	1596	30							
Lease Total			300	144	2428			2390	WAR	5			
<u>Drinkard</u>													
State 367 E-11614													
1 m 36 21S 37E			90	115	8151	30							
2 L 36 21S 37E			180	126	4528	30							
Lease Total			270	241	12679			12672	WAR	7			
<u>Tubb Oil & Gas</u>													
State 367													
4 J 36 21S 37E			210	153	327	30		322	WAR	5			
Battery Total			780	538	152							297	479
													356

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE

OTHER OIL DISPOSITION CODE
C.....CIRCULATING OIL
L.....LOST
S.....SEDIMENTATION (BSEW)
E.....EXPLANATION ATTACHEDOTHER GAS DISPOSITION CODE
X.....USED ON LEASE
D.....USED FOR DRILLING
C.....GAS LIFT
L.....LOST (MCF ESTIMATED)
E.....EXPLANATION ATTACHED
R.....REPRESSURING OR
V.....VENTED
U.....USED ON LEASESTATUS CODE
F.....FLOWING
P.....PUMPING
S.....GAS LIFT
C.....SHOT IN
T.....TEMP ABANDONED
I.....INJECTION
D.....DISCONTINUED

ARCO Oil and Gas Company
Permian District - West Area
P.O. Box 1710
Hobbs, New Mexico 88240
Telephone 505 392 3551



November 2, 1984

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. David Catanach

Re: Addendum to Request to Amend Administrative
Order PC-261, Dated June 22, 1971

Dear Mr. Catanach:

In my original request to commingle all produced fluids
on ARCO's State "367" Lease, I omitted that the owner-
ship for all the pools which underlie this lease is
identical.

Thank you for pointing out this omission. If you have
any questions, please call me at Extension 205.

Sincerely,

A handwritten signature in cursive script, which appears to read "Tony Carapezza".

Tony Carapezza
Production/Facilities Engineer

TC:jc

Xc: Central Files