



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

August 28, 1981

ARCO Oil and Gas Company
Permian District
P.O. Box 1610
Midland, Texas 79702

Administrative Order No. DHC-346
S. J. Sarkeys No. 4
Section 23, Township 21 South,
Range 37 East, Blinebry Oil and
Gas Drinkard

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and to commingle the production from both pools in the well-bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and Division Order No. MC-1615, which authorized the dual completion and required separation of the zones, is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 107 barrels per day and total water production from the well shall not exceed 214 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 4000 by top unit allowable for the Blinebry Oil and Gas.

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

Upper Pool: Oil 25%, Gas 14%
Lower Pool: Oil 75%, Gas 86%

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ARCO Oil and Gas Company

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

JOE D. RAMEY
Division Director

JDR/RJ/dp

cc: Oil Conservation Division
Box 1980
Hobbs, New Mexico