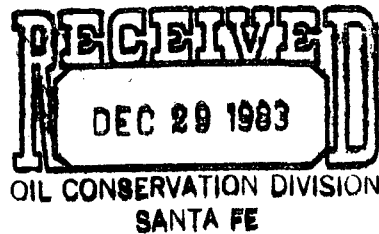


ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0149
Jerry L. Tweed
District Engineer



December 20, 1983

Mr. Joe D. Ramey, Director
New Mexico Oil Conversation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Application for Downhole Commingling of the
Drinkard and Wantz Abo Pools
S. J. Sarkeys Well No. 6
Unit J, Section 23, T21S, R37E
Lea County, New Mexico

ARCO Oil and Gas Company respectfully requests administrative approval under the provisions of Rule 303-C to downhole commingle the Drinkard and Wantz Abo pools in the S. J. Sarkeys Well No. 6. This well is located in Section 23, T-21-S, R-37-E of Lea County, New Mexico.

The S. J. Sarkeys Well No. 6 was initially completed in the Wantz Abo in August, 1965 producing 15 BOPD and no water. The Wantz Abo was abandoned in January 1967 and the well was recompleted in the Drinkard. The S. J. Sarkeys Well No. 6 is currently producing 3 BOPD, 22 MCFD and no water from the Drinkard. ARCO Oil and Gas Company would like to re-enter the Wantz Abo and downhole commingle the Wantz Abo with the Drinkard pool. The downhole commingling is necessary to permit efficient, economical production from both zones.

No crossflow between zones is expected. Ownership of the zones to be commingled is common, including working interest and royalty. We believe that this request to commingle the Drinkard and Wantz Abo pools is justified in the interest of conservation and to protect correlative rights.

Attached is the information requested by Rule 303-C for downhole commingling applications. Thank you for your consideration.

Yours very truly,



J. L. Tweed

JLT/JTL:dmm
Atts.

INFORMATION FOR DOWNHOLE COMMINGLING

(a) Operator: ARCO Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

(b) Lease, Well, Location and Pools:

S. J. Sarkeys Well No. 6
2310' FSL & 1980' FEL
Section 23, T-21-S, R-37-E
Lea County, New Mexico

Pools to be Commingled: Drinkard and Wantz Abo

(c) Acreage Dedication and Offset Ownership:

(See Attachments)

(d) 24-hour Productivity Test

(See Attached Form C-116)

(e) Decline Curve and Completion Resume

(See Attachments)

(f) Bottom Hole Pressures:

Based on 72-hour static fluid level surveys of nearby producers performed in December, 1983, the bottom hole pressures of the Drinkard and Wantz Abo are as follows:

<u>Formation</u>	<u>ARCO Well Tested</u>	<u>Direction & Distance From Subject Well</u>	<u>Sub-Sea Depth</u>	<u>Bottom Hole Pressure (psig)</u>
Drinkard	S.J.Sarkeys #6	--	-3060	201
Wantz Abo	J.R.Cone B #3	South 7300'	-3614	183

(g) Fluid Incompatibility:

The Drinkard and Wantz Abo fluids are currently commingled at the battery. To date, there has been no evidence of fluid incompatibility.

(h) Value of Commingled Fluids:

The S. J. Sarkeys Lease is classified as stripper on a surface basis due to the presence of several producing horizons. Downhole commingling the Drinkard and Wantz Abo will not jeopardize this stripper classification. The Drinkard and Wantz Abo are being commingled in surface storage facilities on the lease, therefore downhole commingling will not affect the price.

(i) Allocation of Production

The Drinkard is currently producing 3 BOPD and 22 MCFGD. The Wantz Abo is expected to initially produce 12 BOPD and 32 MCFGD.

	<u>Oil</u>	<u>Gas</u>
Drinkard	20%	41%
Wantz Abo	80%	59%

(j) All offset operators have been notified by registered mail of this downhole commingling application.

OFFSET OPERATORS

Gulf Oil Exploration and Production Company
P. O. Box 670
Hobbs, New Mexico 88240

Mobil Producing Texas and New Mexico, Inc.
P. O. Box 633
Midland, Texas 79702

Shell Oil Company
600 N. Marienfeld, Suite 310
Midland, Texas 79701

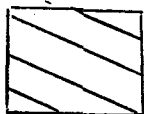
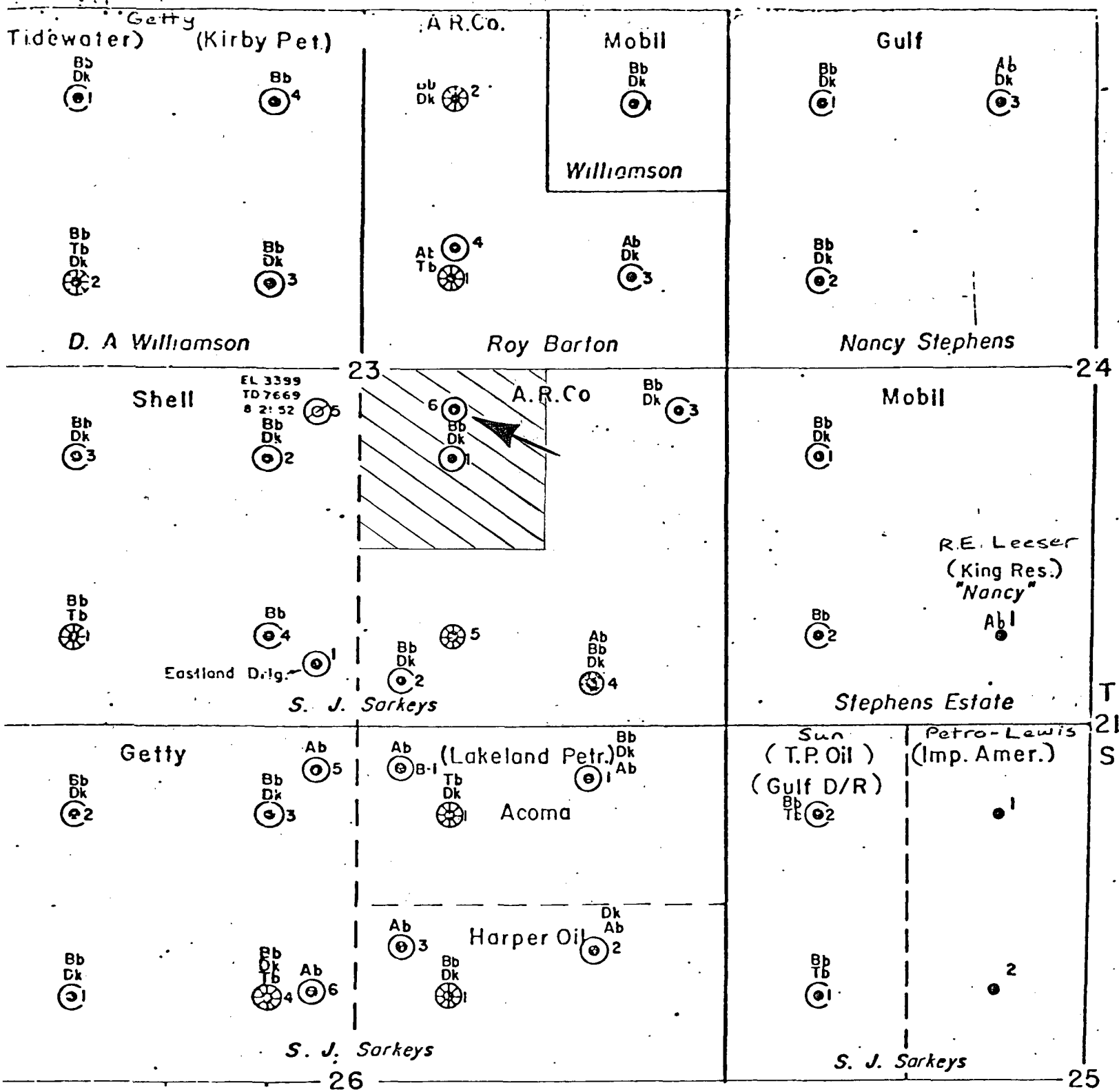
Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

The Eastland Oil Company
One Marienfeld Place, Suite 560
Midland, Texas 79702

Sun Exploration and Production Co.
P. O. Box 1861
Midland, Texas 79702

Acoma Oil Corporation
Executive Plaza Building
210 W. 6th
Suite 1200
Fort Worth, Texas 76102

Russell E. Leeser
1390 Ridge Rd.
Littleton, Colorado 80120



Dedicated Acreage

Wantz Abo : 40 acres

Drinkard : 40 acres

GAS-OIL RATIO TESTS

Operator ARCO Oil & Gas Company Division of Atlantic Richfield Co.		Pool Drinkard		County Lea											
Address P. O. Box 1710, Hobbs, New Mexico 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBLS		
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.	GAS M.C.F.
Sarkeys	6	6	23	21	37	11-8-83	P	45#	3	24	0	38.9	3	22	7333
	This report filed in support of Application for approval to dual Commingle down hole in the Drinkard and Wantz Abb.														

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCP measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Well original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

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

[Signature]
(Signature)

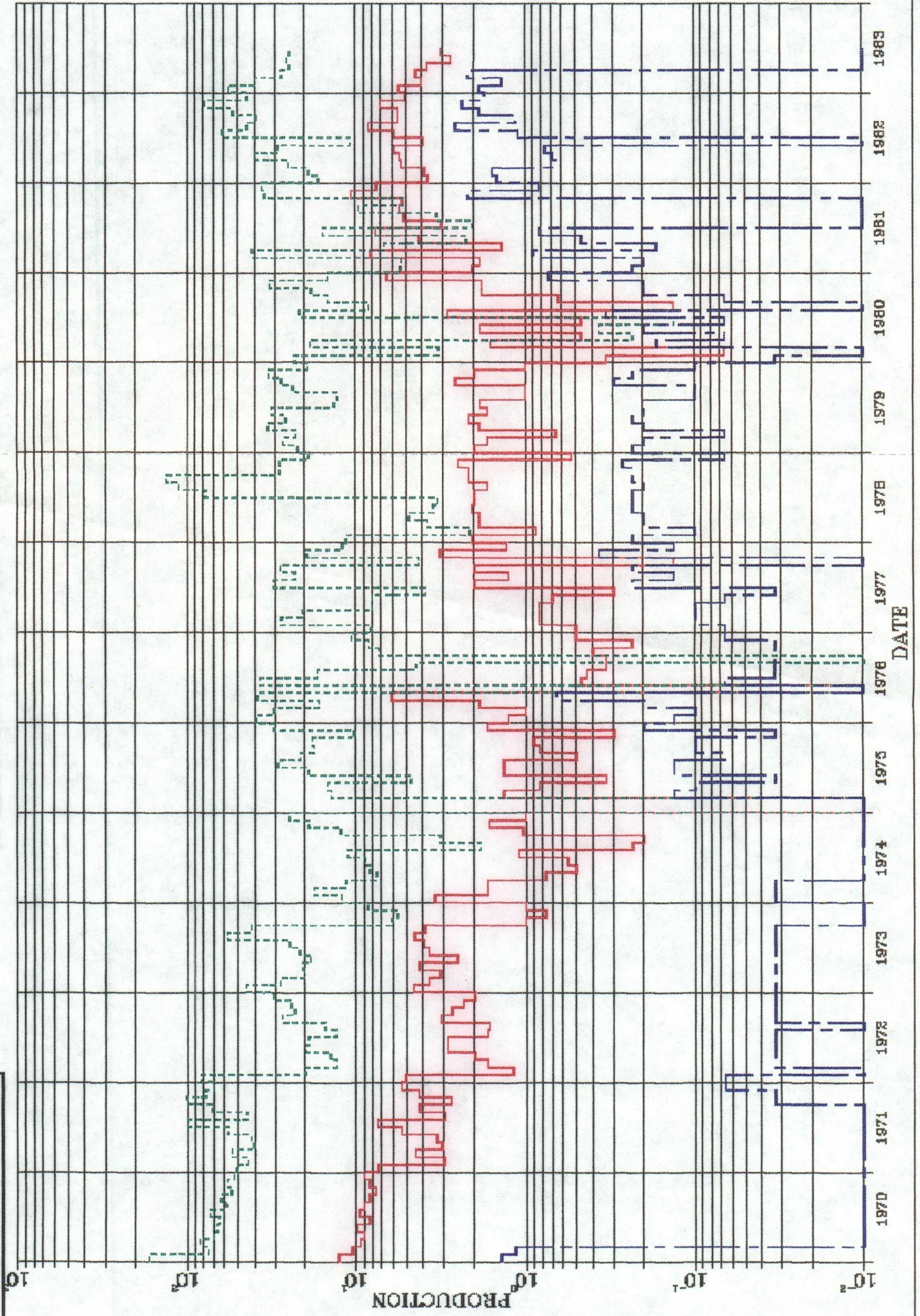
Engrg. Tech. Spec.

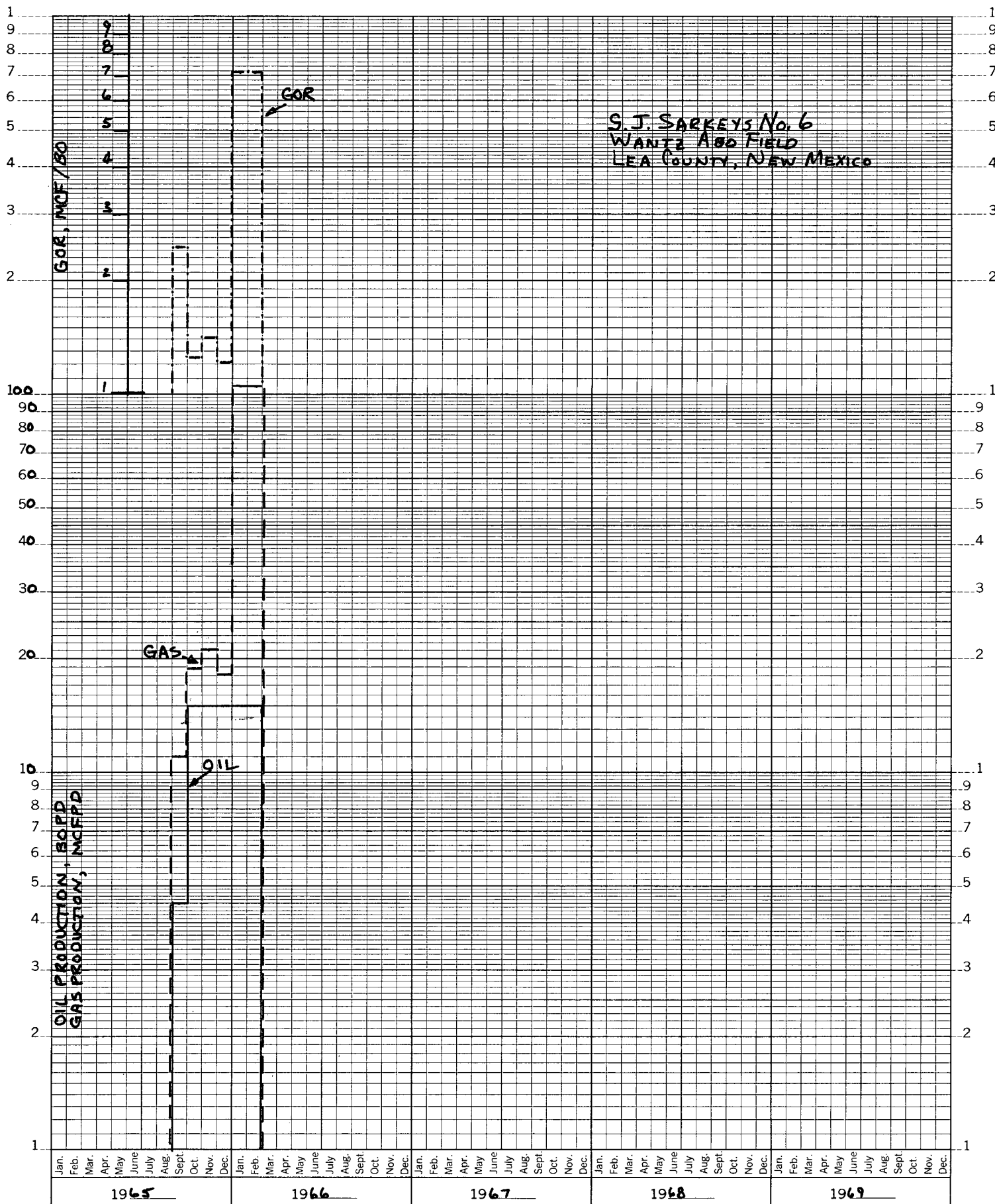
11-23-83

(Title)

STATE: NEW MEXICO COUNTY: LEA
FIELD: DRINKARD
LEASE: S J SARKEYS WELL# 000006
OPERATOR: ARCO OIL & GAS CO

OIL PRODUCTION, STBO/D
GAS PRODUCTION, MCF/D
WATER PRODUCTION, STEW/D





ARCO Oil and Gas Company

Workover Prognosis Worksheet

AFE number

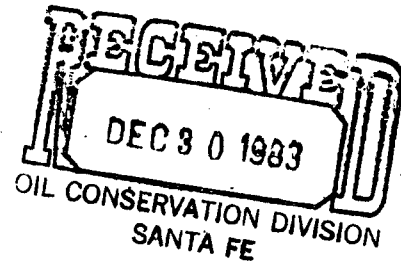
Depth	Conditions		Lease & well number		Date																																																							
	Present	Proposed																																																										
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			Field	County	State																																																							
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State

AR3B-2526-1-A

OIL CONSERVATION DIVISION
DISTRICT 1



OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE December 27, 1983

RE: Proposed MC
Proposed DHC X
Proposed NSL
Proposed NSP
Proposed SWD
Proposed WFX
Proposed PMX

Gentlemen:

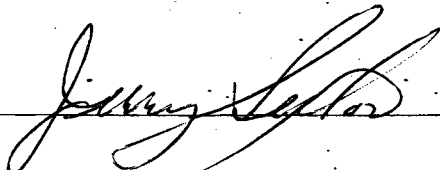
I have examined the application for the:

ARCO Oil & Gas Co. S. J. Sarkeys No. 6-J 23-21-37
Operator Lease and Well No. Unit, S - T - R

and my recommendations are as follows:

O.K.-----J.S.

Yours very truly,


/mc