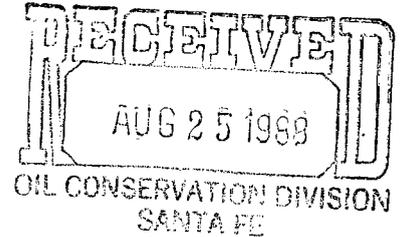
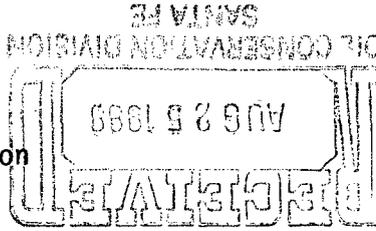


ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200



August 19, 1988

Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



RE: Application for Downhole Commingling of the
Justis Blinebry and Justis Tubb/Drinkard Pools
Carlson Federal "A" No. 2
1980' FSL & 1650' FEL, Sec. 23, T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval under the provisions of Rule 303-C to downhole commingle the Justis Blinebry and Justis Tubb/Drinkard pools in the Carlson Federal "A" No. 2. This well is presently completed in the Justis Blinebry Oil Pool and produces 10 BOPD, 17 MCFPD, and 21 BWPD. We recently tested the Tubb formation for 3 BOPD, 25 MCFPD, and 32 BWPD. Producing only the Blinebry is economically marginal due to the low rates, but commingling the two zones should return the well to profitability. Additionally, ARCO plans to unitize this area in 1990 with the proposed South Justis Unit. Commingling the two zones will help us retain the lease for secondary recovery.

A summary of information required for commingling is attached. Additionally, ARCO has a 100% interest in this lease and the royalty interests of each zone are common. Based on the information we have gathered, we believe the request to commingle is justified in the interest of conservation. Thank you for your consideration. If you have any questions, please call me at 915-688-5355.

Sincerely yours,

Richard S. Prentice

R. S. Prentice
Senior Engineer

RSP:ls

xc: Mr. J. T. Sexton
New Mexico Oil Conservation Division
1000 N. Broadway
P. O. Box 1980
Hobbs, New Mexico 88240

A. L. Stafford - Andrews
S. M. Stroder - Jal

Carlson Federal "A" No. 2
Information for Downhole Commingling

- a. Operator: ARCO Oil and Gas Company
P. O. Box 1610
Midland, TX 79702
- b. Lease, Well Location and Pools:
Carlson Federal "A" No. 2
1980' FSL & 1650' FEL, Sec. 23, T-25S, R-37E
Lea County, New Mexico
Justis Blinebry and Justis Tubb/Drinkard Pools
- c. Acreage Dedication (40 acres) Form C-128 is attached.
Offset operators are shown with plat under item j.
- d. 24-hour Productivity Test - Forms C-116 attached.
- e. Decline Curve - A decline curve for the Justis Blinebry oil production is attached. The Carlson Federal "A" #2 was completed in August, 1961, as a dual Blinebry and Tubb/Drinkard oil producer. In April, 1970, the Tubb/Drinkard was P&A'd. In 1988, the Tubb/Drinkard perms were re-opened and stimulated. A resume of the well's history is attached.
- f. Bottom Hole Pressures
Blinebry - 358 psig at 5245' (-2158' SS)
Tubb - 873 psig at 5873' (-2785' SS)
The Blinebry bottom hole pressure was calculated with a fluid level survey that was conducted after the well had been shut-in for 48 hours. The Tubb/Drinkard pressure was measured with a pressure bomb after the well had been shut-in for 48 hours. The static pressure data for the Tubb/Drinkard is attached. ARCO intends to keep the well pumped down to eliminate the effects of cross flow between the formations.
- g. Fluid Compatibility - Two Martin Water Laboratories analyses are attached. No fluid compatibility problems are expected. Authorization to surface commingle the Blinebry and the Tubb/Drinkard on the Carlson Federal A Lease was received from Mr. A. L. Porter, Jr. (Administrative Order PC-34) on July 16, 1961 when the lease was first developed. No problems were experienced while the two zones were being produced before the Tubb/Drinkard was P&A'd in 1970 in the Carlson Federal "A" No. 2.

ARCO also operates the Wimberly WN lease in the north half of Section 23. Authorization to surface commingle Blinebry and Tubb/Drinkard production (Administrative Order PC-263) was granted by Mr. A. L. Porter, Jr., on May 24, 1965. More recently, Mr. William J. LeMay authorized the downhole commingling of the Blinebry and Tubb/Drinkard in the Wimberly WN #7, two locations north

of the Carlson Federal "A" No. 2. A copy of Administrative Order DHC-658 dated July 29, 1987, is attached. No fluid compatibility problems have been experienced with any of these operations over the years.

Additionally, the Blinebry and the Tubb/Drinkard in Hendrix's Wimberly #3, which is one location northeast of the Carlson Federal "A" #2, are downhole commingled. The well does not appear to have any fluid compatibility problems.

h. Commingling Computations - Attached

i. Allocation of Production - based on latest production tests

	Oil	Gas	Water
Blinebry	<u>77%</u>	<u>40%</u>	<u>40%</u>
Tubb	<u>23%</u>	<u>60%</u>	<u>60%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

j. Notification of Offset Operators

A copy of the notice sent to offset operators and the Bureau of Land Management, the return receipts, and the BLM's approval are attached.

MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Date 7-19-1961

Operator The Atlantic Refining Company Lease Carlson Federal "A"
 Well No. A-2 Unit Letter J Section 23 Township 25 South Range 37 East NM
 Located 1980 Feet From The South Line, 1650 Feet From The East
 County Lea G. L. Elevation _____ Dedicated Acreage 40 Acres
 Name of Producing Formation Tubb/Drinker Paddock, Blinberry Pool Justis

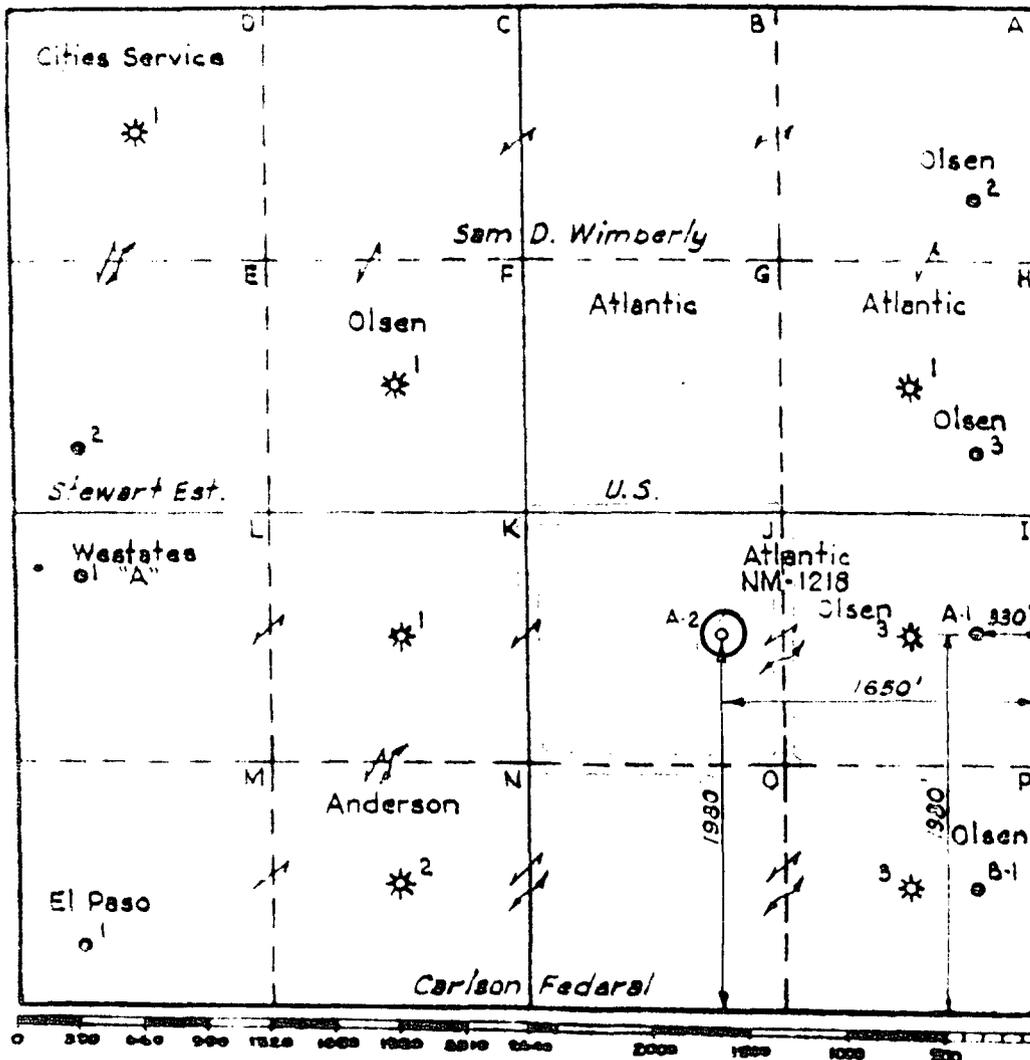
Is the operator the only owner* in the dedicated acreage outlined on the plat below?
 Yes X No _____

If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes," Type of Consolidation _____

If the answer to question two is "no," list all the owners and their respective interest below:

<u>Owner</u>	<u>Land Description</u>

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

The Atlantic Refining Company
 (Operator)
A. D. Klozin
 (Representative)

Box 1978, Roswell, New Mex
 (Address)

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 7-19-1961

W. J. Burkart
 W. J. Burkart, Chief Surveyor
 The Atlantic Refining Company

GAS-OIL RATIO TESTS

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL	
		U	S	T						WATER BBL.S.	GRAV. OIL	OIL BBL.S.		GAS M.C.F.
Carlson A Fed	2	J	23	25S	4-24-88	37E	30#		24	32	37.5	3	25	8333
20-30 Day Test														

Company: ARCO Oil & Gas Co. Pool: Justis Tubb/Drinkard County: Lea
 Address: P. O. Box 1610, Midland, TX 79702
 TYPE OF TEST - (X) Scheduled Completion Special

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 allowable when authorized by the Division.
 Gas volumes must be reported in MCF 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.
 Mail 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.

Elizabeth Collier
 (Signature)
 Operation Analyst

6-13-88 (Title) 915/688-5570

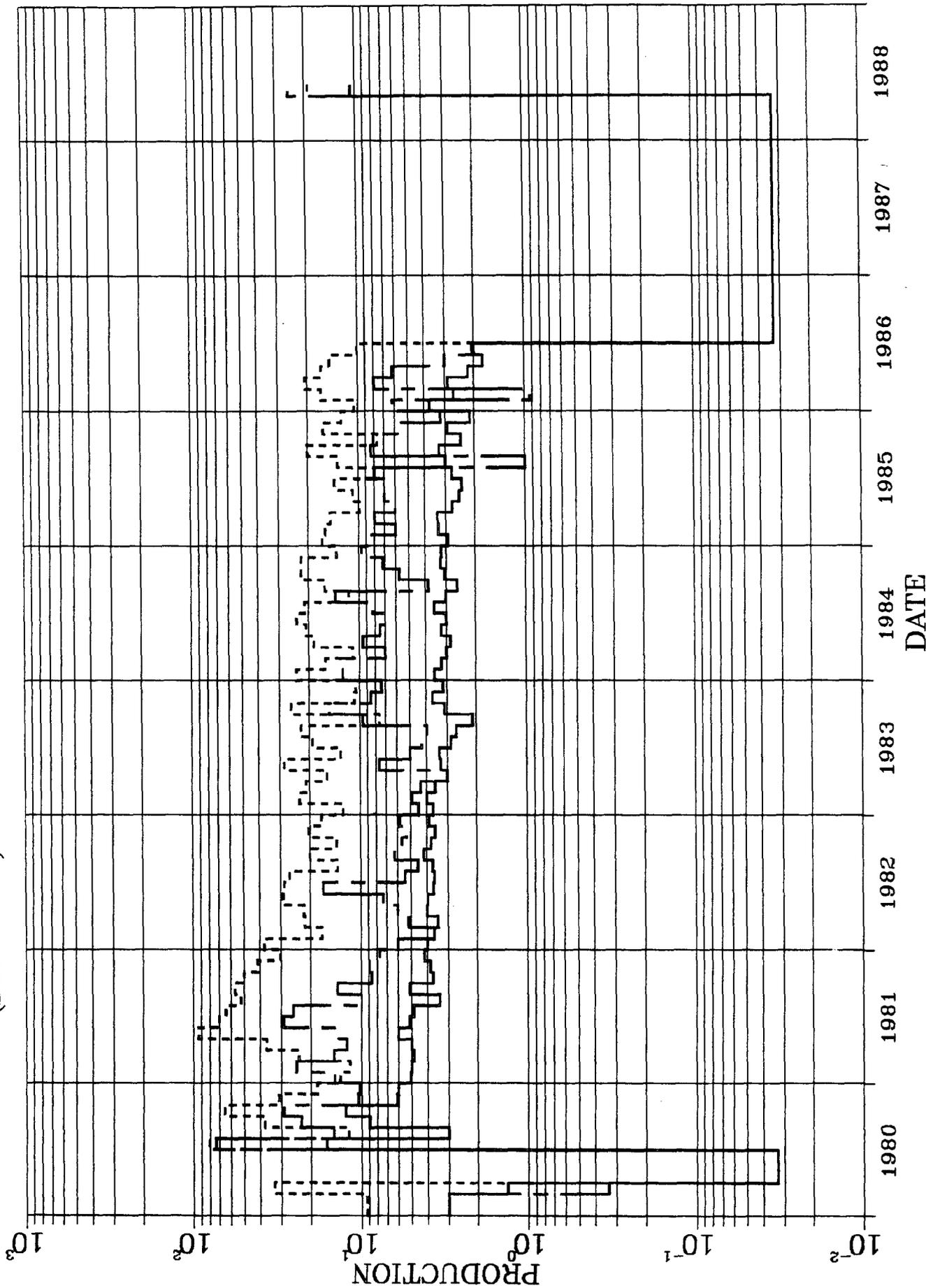
STATE: NEW MEXICO COUNTY: LEA

FIELD: JUSTIS

LEASE: CARLSON A FEDERAL, TRK WELL# 2

(BLINEBRY) OPERATOR: ARCO OIL AND GAS COMPANY

LEGEND
OIL PRODUCTION, STBO/D
GAS PRODUCTION, MCF/D
WATER PRODUCTION, STBW/D



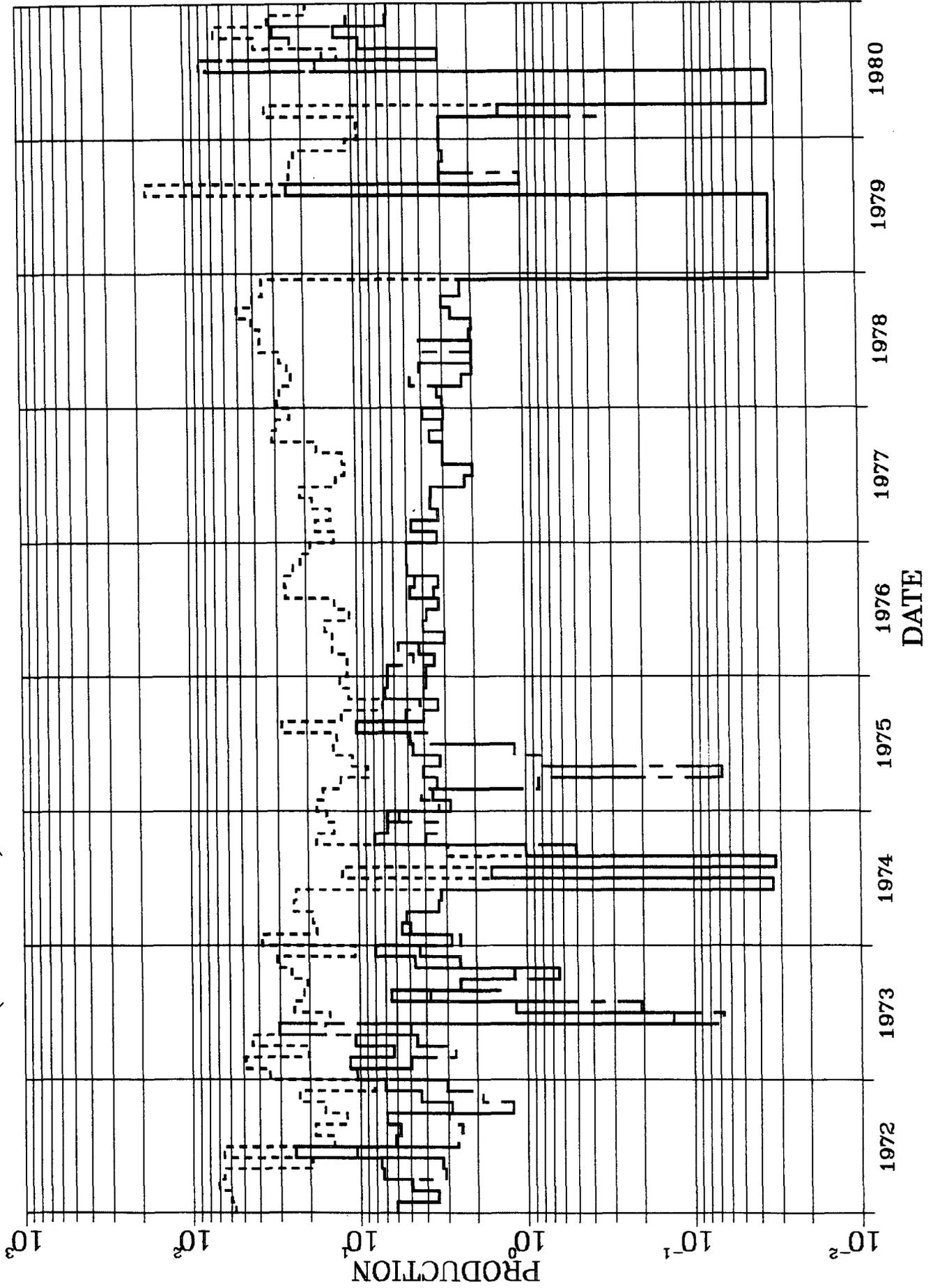
STATE: NEW MEXICO COUNTY: LEA

FIELD: JUSTIS

LEASE: CARLSON A FEDERAL, TRK WELL# 2

(BLINEBRY) OPERATOR: ARCO OIL AND GAS COMPANY

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



WELL NAME & NO. Carlson Fed 'A' 2 ELEVATION 3088'-1213

COMPLETION DATE 8-61 TD 6052 PBD 5758'

CASING: 9 5/8 IN: 32.3 #/ft.; SET @ 936; WITH 500 SACKS Circ
7 " 20 + 23 6050' 800 700-1100'
Bradenthead 502
500 SK.

LOCATION 1980' FSL, 1650' FEL, (J) Sec 23 T-25-8 R-37-E

CORES Lea Co.

LOGS LL-GR-N, mLL 8-24-61

CCL 8-27-61 Tracer 12-17-66

INITIAL COMPLETION Blk: 5312-51, 5372-86 (4 SPF)

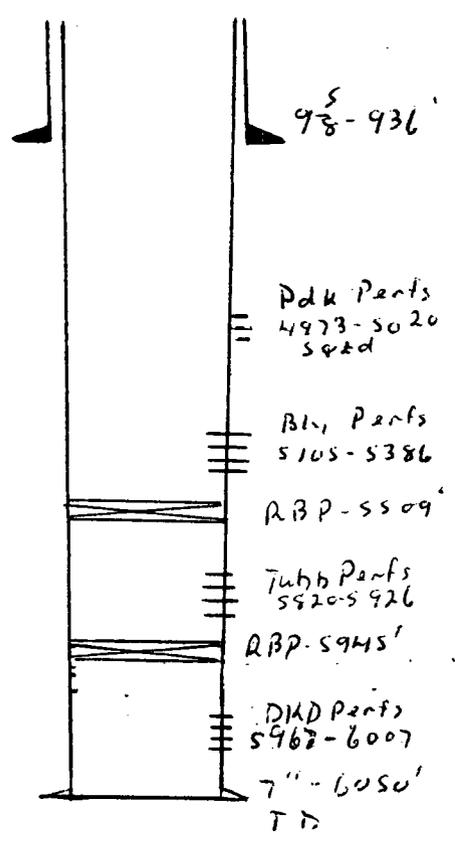
COMPLETION DATE 10-61 INTERVAL Tubh/Dkd: 5808-16, 5822-47, 5858-72,
5883-88 (4 SPF) 5900-14

TREATMENT Blk: A/10,000 gals T/Dkd: A/11,500 gals F/19,200 gals L0 + 12,940

TEST: OIL _____ BPD: GAS _____ MCFPD: GOR _____ : WATER _____ BFD

FLOW _____ PUMP _____ PRESSURE _____
T/D: 77 B0, 140 BW GOR = 1964 S.G. = .8 - gas
Blk: 54 B0 51 BW GOR = 333 S.G. = 36°

WELL DIAGRAM



DATE	TREATMENTS & WORKOVERS
9-61	Perf Blk 5310-5508; A/20,000 gals Flowed 252 Blk - 12 hrs - 80% water. Puffk 5312-51, 72-86 Sqzd w/ 705 SLS. (4 SPF). A/10,000 gals
	Perf Pdk 5018-20 Sqzd w/ 25 SLS 4968-70 " 30 "
	4973-5015 A/1500 gals F/18,000 gals L0 + 14,000 # SLS
	Tested wet; Sqzd w/ 215 SLS.
12-61	Installed Kobe pump - Blk 5203, 16, 22, 29, 45, 48
12-66	Perf Blk: 5267, 81, 82 A/2000 gals; F/25,000 gals L0 + 30,000 # IP 24MB0 = 42 mcf - 27 HRS

Well Name & Number: Carlson Federal "A" 2

Treatments and Workovers (continued)

Date:

4-70	Set plug in 415-D PKR at 5773. Pumped 2 SK SD + 2 SK cmt. T/DNK P+A'd.
6-80	Acidized Bly 5203-5376 w/ 3000 gals 15% NEA. Perf'd Bly at 5105, 11, 19, 33, 36, 44, 52, 57, 63 Sqzd parts 4968-5020' w/ 50 SK 5105-5163 Bly parts new 5203-5386, P 580 40mcf, 21BW
9-80	Acidized Bly 5105-5163 w/ 1000 gals Frac'd " " w/ 15,000 gals gel acid, 14,000 gals gel 9 # BW, 12,000 # 40/60 salt. Tested 16BW, 42BW, 47mcf
2-86	Holes in tbg 2 jts above SN - Replaced. Now 172 jts 2 3/8" tbg in hole. SN at 534'
6-86	Shut-in
1-88	CO to 6018' Perf Drinkard 5967-6007' Acidize w/ 2500 gals. 1P P 730, 105BW, 1mcf.
3-88	Set RBP at 5952. Acidize Tubh parts 5820-5926 w/ 5000 gals. POH w/ RBP. 1P P 630, 95BW, 6mcf.
4-88	Set RBP at 5945. Pump Tubh parts 5820-5926 330-32BW, 25mcf. (Acidized w/ 5000 gals)
5-88	Set RBP at 5509'. Acidize Blinobry 5105-5386 w/ 16,000 gals 70 quality foamed acid.

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

RECEIVED
AUG 11 1987

SOUTH AREA PRODUCTION
PERMIAN DISTRICT

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

July 29, 1987

Amended Administrative Order No. DHC-658

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

Attention: J.T. Uecker

Re: Wimberly "WN" Well No. 7
Unit B, Section 23, Township 25 South,
Range 37 East, NMPM, Lea County, New Mexico,
Justis Blinebry and Justis Tubb-Drinkard Pools.

Gentlemen:

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 the production from both pools in the wellbore.

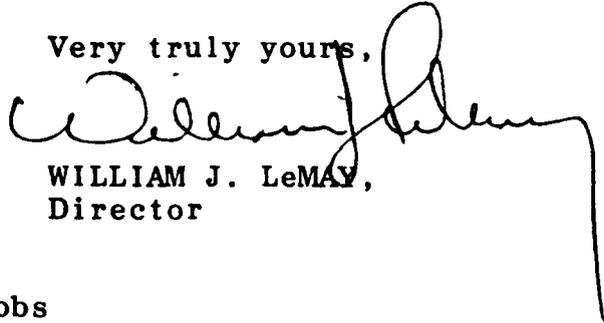
It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above 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 from the well 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 6000 by the top unit allowable for the Justis Blinebry Pool.

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

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.

Very truly yours,



WILLIAM J. LeMAY,
Director

cc: OCD District Office - Hobbs

Remarks: This amended order re-establishes the maximum oil and water allowable at 40 and 80 barrels per day respectively for the subject well. The well is to be deepended to approximately 6040 feet.

WJL
CE
Central Files
Ailey Stafford
Dane Hartman
Blair Edwards

Carlson Federal "A" No. 2

Commingling Computations

	<u>Blinebry</u>	<u>% of Total</u>	<u>Tubb</u>	<u>% of Total</u>	<u>Total Rate</u>
BOPD	10	77	3	23	13
MCFD	17	40	25	60	42
BWPD	21	40	32	60	53

Blinebry Perfs - 5105' - 5398'

Tubb Perfs - 5820' - 5926'

Production Limitation for Lowest Perf (5000' - 5999'): 30 BOPD, 60 BWPD.

Downhole commingling will not affect the oil or gas price because the Blinebry and Tubb/Drinkard are currently being commingled in the Carlson Federal "A" Lease surface storage facilities. The value of the commingled production will not be less than the sum of the values of the individual streams.

ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200



December 28, 1987

**CERTIFIED
RETURN RECEIPT
REQUESTED**

OFFSET OPERATORS
CARLSON A FEDERAL LEASE

Gentlemen:

Notification of Intent to Downhole Commingle
the Justis Blinebry and Justis Tubb/Drinkard Pools
Carlson A Federal No. 2
1980' FSL, 1650' FEL
Section 23, T-25-S, R-27-E
Lea County, New Mexico

In accordance with New Mexico Oil Conservation Division regulations,
you are hereby notified of ARCO Oil and Gas Company's application
to downhole commingle production from the Justis Blinebry and Justis
Tubb/Drinkard pools in the Carlson A Federal No. 2 well.

Yours very truly,

D. Hartman for R.S. Prentice

Richard S. Prentice
Senior Engineer

RSP:jee

OFFSET OPERATORS
Carlson A Federal Lease

Amerada Hess Corporation
2207 Industrial
Midland, TX 79701

Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88220

Cities Service Oil and Gas Corporation
P.O. Box 1919
Midland, TX 79702

John H. Hendrix Corporation
223 West Wall, Suite 525
Midland, TX 79701

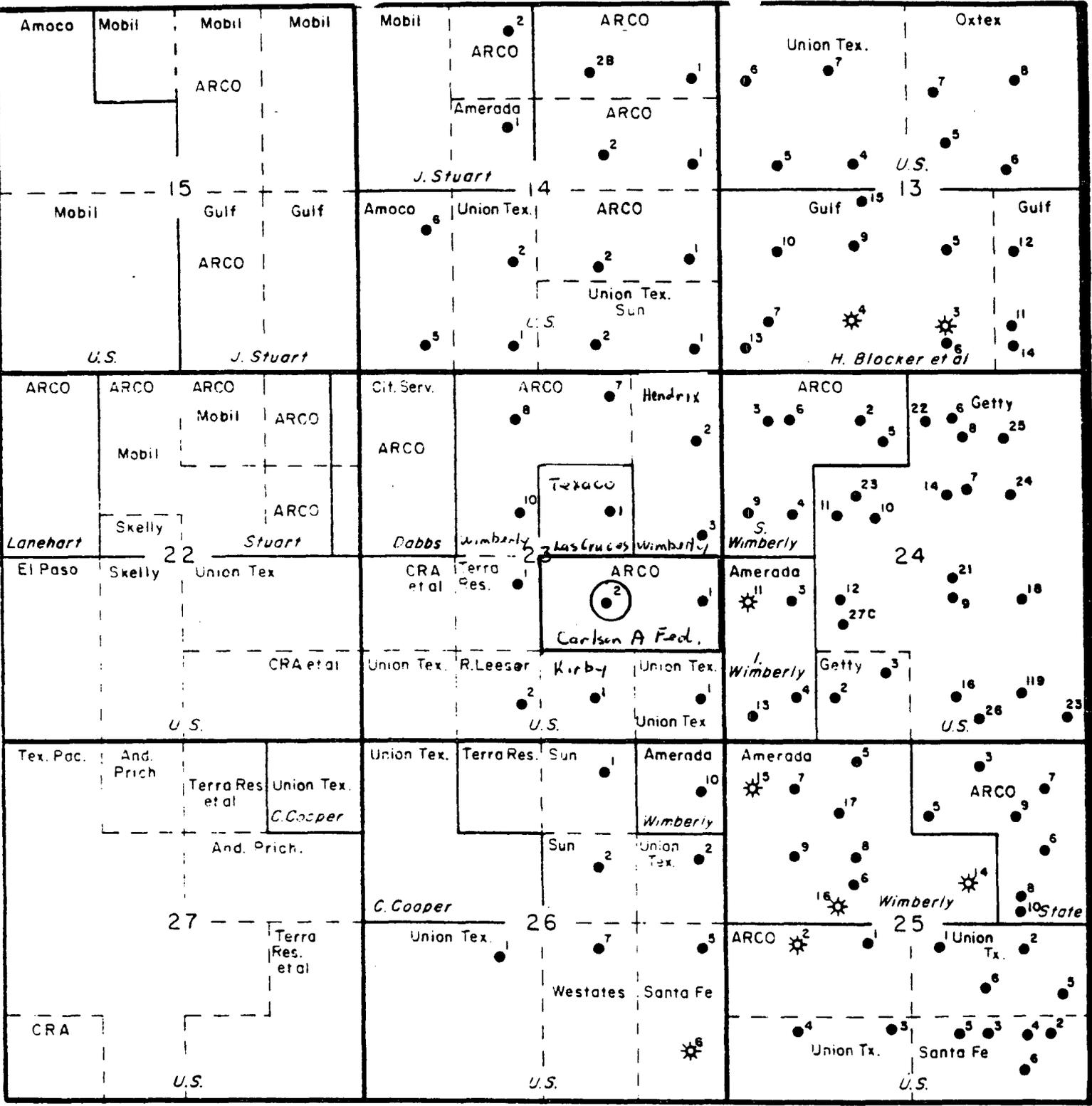
Kirby Exploration Company
P.O. Box 1745
Houston, TX 77001

Russel E. Lesser
1390 Ridge Road
Littleton, CO 80120

Terra Resources
10 Desta Drive, Suite 500 West
Midland, TX 79705

Texaco Producing, Inc.
P.O. Box 3109
Midland, TX 79702

Union Texas Petroleum Corp.
Box 2120, One Riverway
Houston, TX 77252



**ARCO's Carlson
A Federal Lease
JUSTIS FIELD**

ARCO Oil and Gas Company 
Division of Atlantic Richfield Company
 Permian District Midland, Texas

LEA COUNTY, NEW MEXICO

SCALE: 1" = 2000'

By C. ELLIS	Drawn By	Date 1-85
Date 1-85	Revised By	Date
Drawn WEST AREA ENGR.	Draw No	

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
†(Extra charge)† †(Extra charge)†

3. Article Addressed to: Amerada Hess 2207 Industrial Midland, TX 79701	4. Article Number P652 034 489
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery 1-4-88	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
†(Extra charge)† †(Extra charge)†

3. Article Addressed to: Bureau of Land Mgmt. P.O. Box 1778 Carlsbad, NM 88220	4. Article Number P652 034 4
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery 1-4-88	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**
R.S. Prentice 117M40

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
†(Extra charge)† †(Extra charge)†

3. Article Addressed to: Citics Service O+G P.O. Box 1919 Midland, TX 79702	4. Article Number P652 034 487
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery 1-4-88	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
†(Extra charge)† †(Extra charge)†

3. Article Addressed to: John Hendrix Corp. 223 W. Wall, Ste. 525 Midland, TX 79701	4. Article Number P652 034 486
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 1/4/88	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
†(Extra charge)† †(Extra charge)†

3. Article Addressed to: Kirby Exp. Box 1745 Houston, TX 77001	4. Article Number P699 088 871
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 1/5/88	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery †(Extra charge)†

3. Article Addressed to: Russel Lesser 1390 Ridge Rd. Littleton, CO 80120	4. Article Number P699088820 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X <i>Russel Lesser</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery JAN 1 1988	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery †(Extra charge)†

3. Article Addressed to: Terra Resources 10 Desta Dr., Ste. 500 W. Midland, TX 79705	4. Article Number P699088869 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Larry Cooper</i>	
7. Date of Delivery 1-4-88	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery †(Extra charge)†

3. Article Addressed to: Texaco Box 3109 Midland, TX 79702	4. Article Number P699088868 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery 1-4-88	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery †(Extra charge)†

3. Article Addressed to: Union Texas Pet. Corp. Box 2120, One Riverway Houston, TX 77252	4. Article Number P699088867 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery JAN 04 1988	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA HEADQUARTERS
P.O. BOX 1778
CARLSBAD, NEW MEXICO 88220



IN REPLY REFER TO:
3162.4 (067)

JUN 14 1988

ARCO Oil & Gas Company
Attn: D.J. Hartman
P.O. Box 1610
Midland, TX 79702

RE: LC-060945
Carlson "A" Federal #2
NWSE of S23, T25S, R37E
Lea County, NM

Gentlemen:

Your request to downhole commingle the Justis Blinebry & Justis Tubb/Drinkard oil and gas zones is hereby approved.

Please contact Shannon J. Shaw at (505) 887-6544 if you have any questions or comments.

Sincerely,

Richard L. Manus
Area Manager



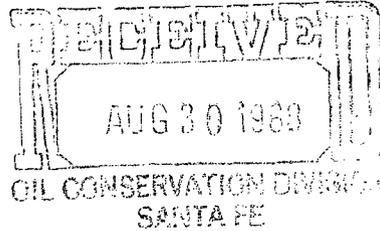
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

8-25-88

GARREY CARRUTHERS
 GOVERNOR

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88241-1980
 (505) 393-6161

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



RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Arco Oil & Gas Co. Carlson Federal A #2-J 23-25-37
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK JS

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed