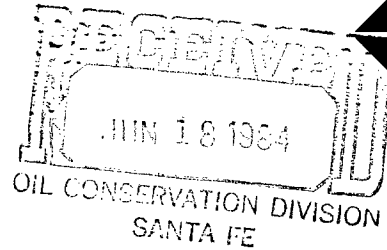


ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 12, 1984

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

Dear Mr. Ramey:

Application for Downhole Commingling of the
Justis Blinebry and Justis Montoya Pools
State Y Well No. 6
Unit H, Section 25, T25S, 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 Justis Blinebry and Justis Montoya pools in the State Y Well No. 6. This well is located in Section 25, T-25-S, R-37-E of Lea County, New Mexico.

The State Y No. 6 was completed in February, 1959 as a dual oil well producing from the Ellenburger and Montoya zones. The Ellenburger was abandoned in December, 1960 at depletion. Cumulative production from the Ellenburger was 23 MBO. The Blinebry was then put on production as a flowing oil well at 85 BOPD and 28 BWPD with a GOR of 1047. In July, 1961, both the Montoya and Blinebry were placed on artificial lift. Currently, the Blinebry is flowing 28 MCFGPD up the casing/tubing annulus. Artificial lift was suspended in the Blinebry in January, 1984 when the fluid rate declined to 0 BOPD and 0 BWPD due to normal depletion. The Montoya currently makes 12 BOPD, 49 BWPD and 1 MCFGPD while being pumped under a packer. The combined water rate of 49 BWPD falls within the commingled limit of 70 BWPD from both zones. The oil rate of 12 BOPD is also within the commingled limit of 40 BOPD.

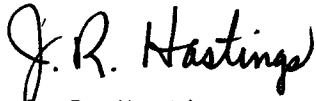
ARCO Oil and Gas Company has considered plugging and abandoning the Blinebry due to uneconomical rates. However, recent workover attempts have indicated that an extensive cementing program will be required to adequately squeeze numerous casing holes between the two zones. The remaining Montoya production is not sufficient to economically justify the remedial work needed to isolate the zones. Hence, downhole commingling will provide a feasible alternative to abandoning both intervals and is necessary to permit efficient, economical production from both zones.

Mr. Joe D. Ramey
June 12, 1984
Page 2

Ownership of the zones to be commingled is common, including working interest and royalty. We believe that this request to commingle the Justis Blinebry and Justis Montoya is justified in the interest of conservation and to protect correlative rights.

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

Yours very truly,



J. R. Hastings
District Engineer

JRH:JTL:sc
Atts.

cc: New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

State Y No. 6

Information for Downhole Commingling

- (a) Operator: ARCO Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702
- (b) Lease, Well, Location and Pools:

State Y No. 6
1650' FNL & 660' FEL
Section 25, T-25-S, R-37-E
Lea County, New Mexico
Justis Blinebry and Justis Montoya Pools
- (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: (See item k for additional information)

Blinebry: 267#
Montoya: 319#
- (g) Fluid Compatibility:

No incompatibility suspected. See Martin Water
Water Laboratories, Inc. attachment.
- (h) Effect of Downhole Commingling on Fluid Value:

Fluid values will not change. Blinebry and Montoya
oil, water and gas are already commingled at the
battery.
- (i) Allocation of Production - based on last production ratios:

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Montoya	100%	3%	100%
Blinebry	--	97%	--

(j) Notification of Offset Operators:

All offset operators have been notified by certified mail of this downhole commingling application.

(k) Bottom hole pressures were based on 72-hour static fluid level surveys of the subject well and a nearby producer performed during the last week of May, 1984. The bottom hole pressures of the Justis Blinebry and the Justis Montoya are as follows:

<u>Formation</u>	<u>ARCO Well Tested</u>	<u>Direction & Distance From State Y #6</u>	<u>Sub-Sea Depth</u>	<u>BHP (psig)</u>
Blinebry	State Y #6	--	-2218	267
Montoya	State Y #9	Northwest 738'	-3776	319

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



CERTIFIED
RETURN RECEIPT
REQUESTED

June 12, 1984

OFFSET OPERATORS
STATE Y LEASE

Gentlemen:

Notification of Intent to Downhole Commingle
the Justis Blinebry and Justis Montoya Pools
State Y No. 6
1650' FNL & 660' FEL
Section 25, T-25-S, R-37-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 Montoya pools in the State Y No. 6 well.

Yours very truly,

A handwritten signature in black ink that reads "J. R. Hastings". The signature is written in a cursive style with a large initial "J".

J. R. Hastings
District Engineer

JRH:JTL:sc

OFFSET OPERATORS

STATE Y LEASE

✓ Amerada Hess Corporation
2207 Industrial
Midland, Tx. 79701

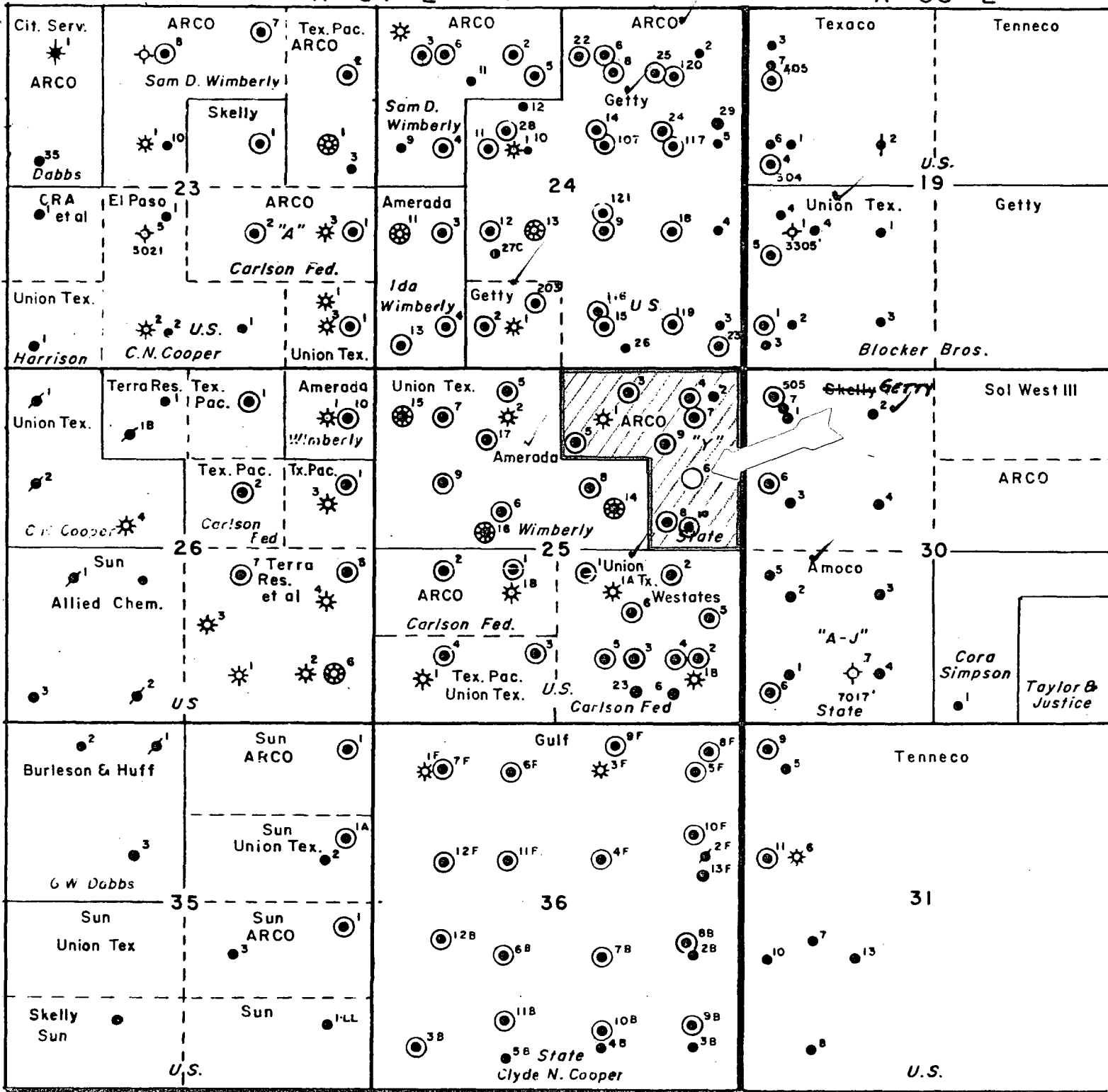
✓ Amoco Producing & Exploration Co.
4044 Penbrook
Odessa, Tx. 79762

✓ Getty Oil Company
Box 1231
Midland, Tx. 79702

✓ Union Texas Petroleum Corporation
Box 2120 One Riverway
Houston, Tx. 77252

R 37 E

R 38 E



Dedicated Acreage

Justis Blinebry 40 acres

Justis Montoya 40 acres

ARCO Oil and Gas Company

Division of Atlantic Richfield Company

Permian District Midland, Texas

LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

By D. BRUCKER	Drawn By	Date 5-80
Date 7-18-83	Revised By	Date
Dep. WEST AREA ENGR.	Dwg. No.	

GAS-OIL RATIO TESTS

Operator	Well	Location	Date of Test	Choke Size	Tbg. Press.	Daily Allowable	Length of Test Hours	Prod. During Test			Special	
								Water Bbls.	Oil Bbls.	Gas M.C.F.		
ARCO Oil & Gas Company Division of Atlantic Richfield Co. P. O. Box 1710, Hobbs, New Mexico 88240	6	H 25 25S 37E	2/24/84	P		13	24	88	36.1	9	1	<input checked="" type="checkbox"/>
State "Y"	This test filed as production test for proposed application to down hole commingle with the Justis Blinberry Zone.											

County: Lea

TYPE OF TEST - (X) Scheduled Completion

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 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 331 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)

Engr. Tech. Spec.
(Title)

GAS-OIL RATIO TESTS

LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL
		U	S	T						WATER BLS.	GRAV. OIL	OIL BLS.	
State "y"	6	H	25	25S	2/26/84	F 64/64	25#	1	24	0	0	13	-
This test filed as production test for proposed application to Down hole commingle with the Justis Montoya Zone.													

TYPE OF TEST - (X) Special Completion Scheduled

County: Lea

Operator: ARCO Oil & Gas Company
Division of Atlantic Richfield Co.
Justis Blinbry
P. O. Box 1710, Hobbs, New Mexico 88240

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 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.
Well original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 33) and appropriate pool rules.

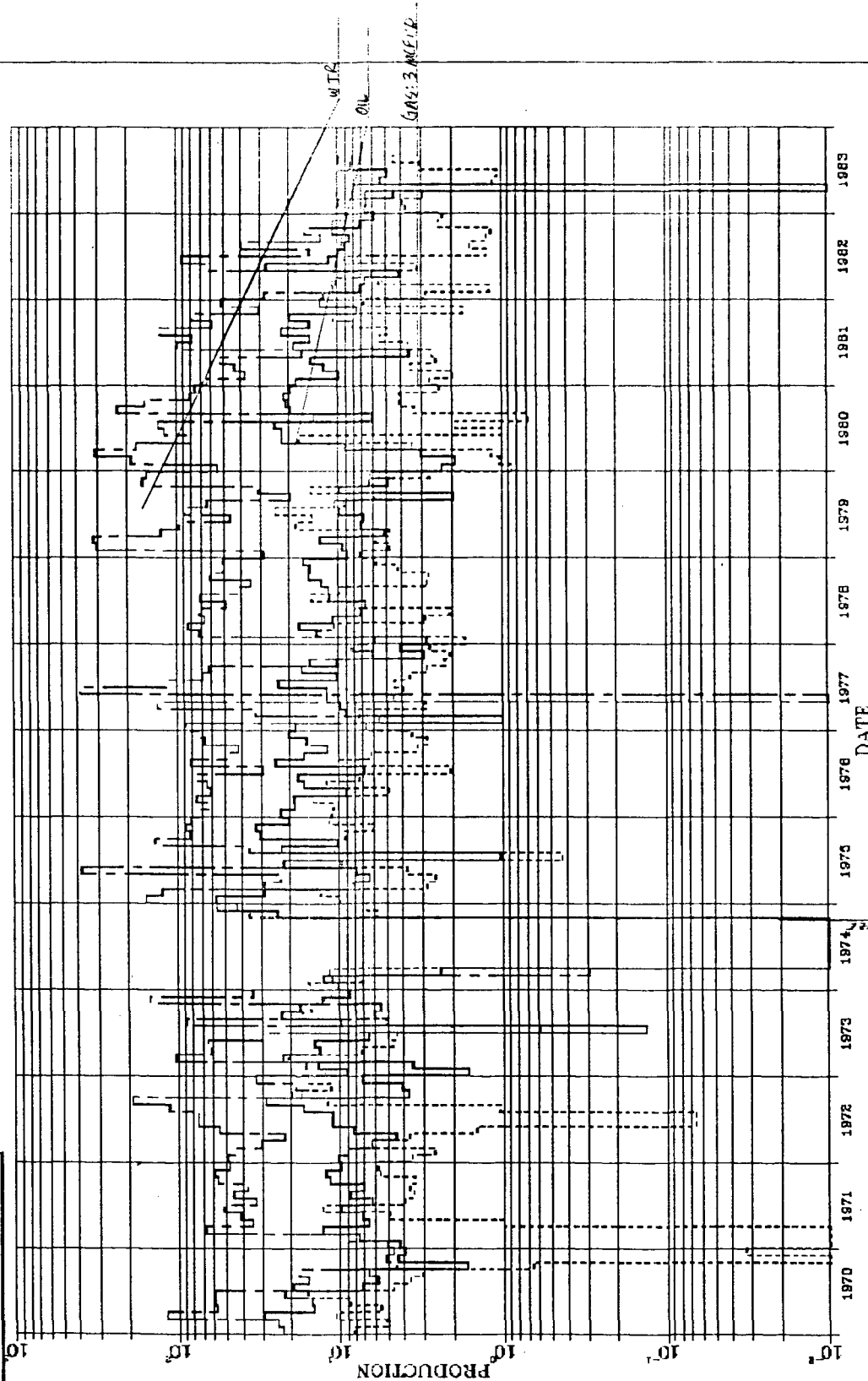
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

(Signature)
Engrg. Tech. Spec. (Title)

5/18/84

STATE: NEW MEXICO COUNTY: LEA MO
FIELD: JUSTIS MONTOYA
LEASE: STATE Y WELL# 000006
OPERATOR: ARCO OIL & GAS CO

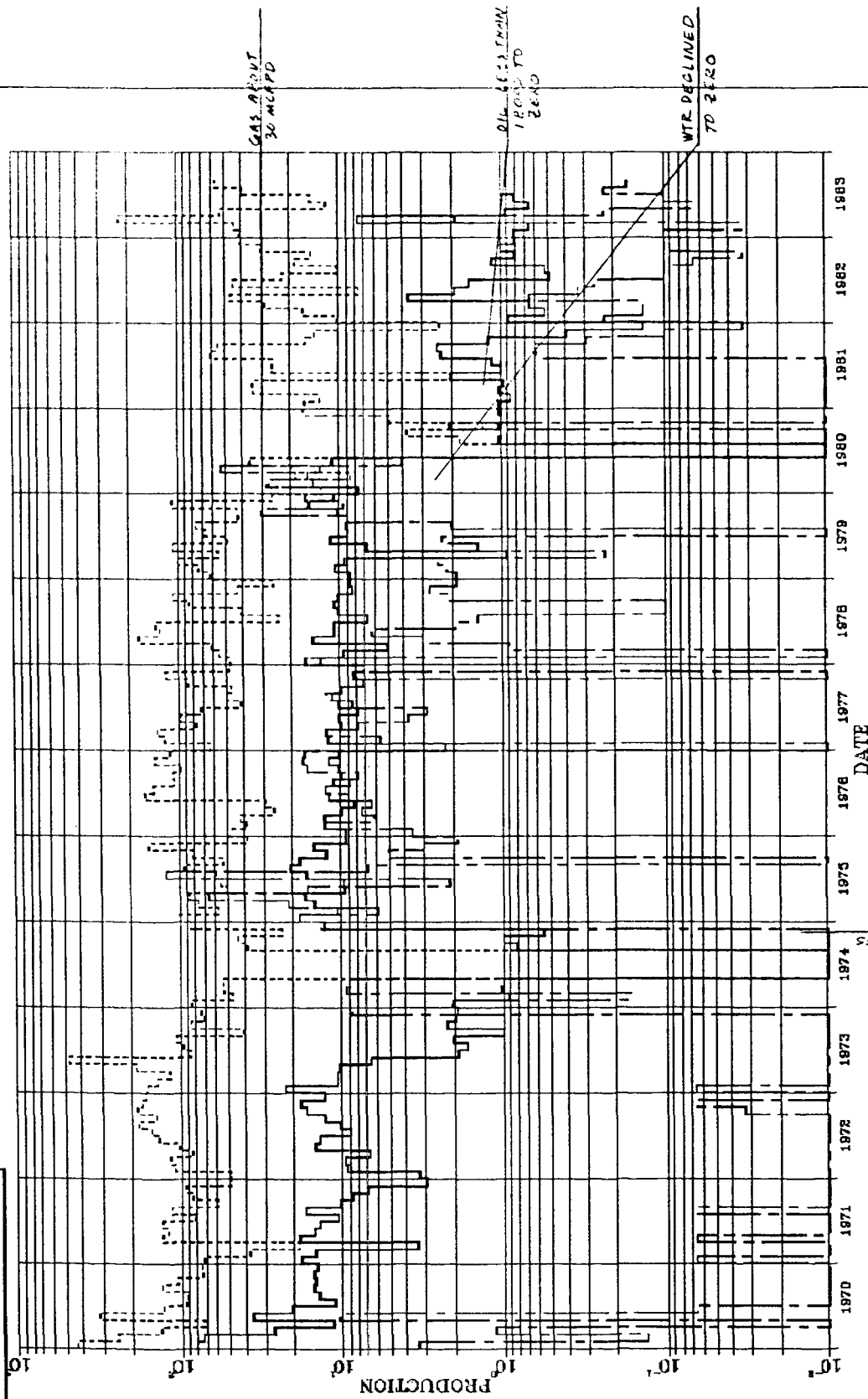
OIL PRODUCTION STBO/D
GAS PRODUCTION MCF/D
WATER PRODUCTION STEW/D



History

STATE: NEW MEXICO COUNTY: LEA BL
 FIELD: JUSTIS BLINEBRY
 LEASE: STATE Y WELL# 000006
 OPERATOR: ARCO OIL & GAS CO

OIL PRODUCTION STEB/D
 GAS PRODUCTION MCFG/D
 WATER PRODUCTION STEB/D



APP REFERS
 FMC

Depth	Conditions		Lease & well number				Date				
	Present	Proposed	State Y No. 6								
			Field Justis			County Lea	State New Mexico				
			Proposed operation: Downhole Commingle Blinebry and Montoya								
			Datum		Casing and Liner Detail						
			(GL)	(CHF)	(KB)	Size	Weight	BTM	TOP	Cement	TOC
			Elev.	3077 (GL)		13-3/8	48	550		350 sx	circ.
			TD	8280		9-5/8	36, 29	3335		950 sx	
5000			PBTD	7016		7-5/8, 7	23, 29	8280		623 sx	3700'
			Year Drd.	1959							
			Background and proposed procedure (use additional sheets if needed)								
			Spudded @ 1 AM 2-23-59 4-14-59 Perf ELL 8235-52', MONT 6915-74' (both 4 SPF) 4-15-59 Acidize ELL w/500 gal 7-1/2% MA 4-17-59 Acidize MONT w/1000 gal 7-1/2%MC 4-20-59 Acidize MONT w/5000 gal 15% reg. acid 4-22-59 Acidize MONT w/15,000 gal UNISOL IP ELL (LT) 4-16-59 F 144 BOPD + 0 BW, GOR = 1600 IP MONT (UT) 4-25-59 F 222 BOPD + 30 BW, GOR = 489 } Dual Completion 10-16-59 ELL - Install pumping unit 12-5-60 Plug ELL, CIBP @ 7025, 2 sx cmt on top, TOC 7016' 12-5-60 Perf BLBY, 2 SPF, 5297-302', 5322-9', 5347-52', 5366-72', 5384-98', 5412-22', 5452-66' Acidize 5412-66 w/5208 gal 15% LSTE acid Acidize all BLBY w/6792 gal 15% LSTE acid 12-15-60 IP BLBY F 85 BOPD + 28 BW, GOR = 1047 (MONT still flowing) 5-61 Replaced corroded tbg in MONT string 7-61 BLBY & MONT - Install pumping equipment - both zones 6-17-65 BLBY - Frac, 1000 gal 15% LSTNE Acid + 30,000 gal LO + 35,000# sd 6-21-65 MONT - Acidize w/1500 gal 7-1/2% HCL & 300 gal MA 2-16-68 MONT - Acidize w/5000 gal 15% HCL LSTNE Acid 8-68 MONT - Treat zone for scale removal and inhibition 9-10-68 MONT - Acidize w/2000 gal 15% HCL w/LSTNE 11-4-74 BLBY - Add perfs (1 SPF) 5030, -38,-43,-47,-54,-60,-84,-89, 5101, -06,-10,-13,-35,-40,-48,-58,-72,-81,-90 5213,-18,-24,-32,-61,-80,5526,-34,-40,-53,-54, 5560 11-5-74 BLBY - 5030-280, Acidize w/1500 gal 15% HCL-LSTNE Acid 11-6-74 BLBY - 5030-5560, Frac w/45,500 gal + 75,000# sd 11-12-74 MONT - Acidize w/1000 gal 15% HCL-LSTNE Acid 12-13-83 Csg Insp. Log bad pipe 5480-6876 (intent was to P&A Blby) Casing like "swiss cheese". 12-16-83 MONT - Acidize w/4000 gal NEFE (& scale treatment) 3-31-84 BLBY - Test, F 0 BOPD + 0 BW + 28 MCFG								
				Proposed by	Prepared by	Engineering	Production	Drilling	Operations		
			Initial								
			Date								

