

Release Immediately

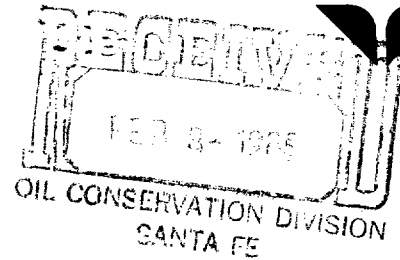
ARCO Oil and Gas Company

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

B4 DCC.



*Amendment
No. 3
2-12-85*



February 4, 1985

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. Richard L. Stamets

Re: Request for Amendment of Administrative Order PC-219
Surface Commingling of S. J. Sarkeys Lease
Lea County, New Mexico

Dear Mr. Stamets:

ARCO Oil and Gas Company respectfully requests approval for the amendment of Administrative Order PC-219 to include the surface commingling of the Tubb Gas Pool production as granted by Administrative Order DHC-532 to downhole commingle. Presented are copies of Administrative Order DHC-532 and PC-219. If additional information is needed, contact me at (505)392-3551.

Yours truly,

Marvin T. Iglehart

Marvin T. Iglehart
Production/Facilities Engineer

MTI:jc

Attachments

Xc: Mr. Jerry Sexton - NMOCD, Hobbs



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

October 30, 1984

Administrative Order No. DHC-532

Arco Oil & Gas Company
P.O. Box 1610
Midland, Texas 79702

Attention: Mr. Joe R. Hastings

Re: S. J. Sarkeys No. 5
Unit O, Sec. 23, T-21S,
R-37E, NMPM, Tubb and Wantz
Abo Pools, Lea County, NM

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 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 50 barrels per day, and total water production from the well shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the Wantz Abo zone shall be determined by multiplying 6,000 by top unit allowable for the Wantz Abo pool and the maximum amount of gas which may


be produced from the Tubb zone shall be determined by the Oil Conservation Division's Southeast Gas Proration Schedule.

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

Tubb Pool: Oil 5 %, Gas 70 %
Wantz-Abo Pool: Oil 95 %, Gas 30 %

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.

Sincerely,



R. L. STAMETS,
Acting Director