



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
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November 14, 1984

Arco Oil & Gas Company
P. O. Box 1710
Hobbs, New Mexico 88240

Attention: Mr. Tony Carapezza

RE: Amendment to Administrative
Order PC-261

Gentlemen:

Reference is made to your request for the amendment to Administrative Order PC-261 which at present authorizes the commingling of Blinebry oil, Drinkard oil, Blinebry condensate, and Tubb condensate from your State "367" lease, Lea County, New Mexico.

It is our understanding that you wish the order amended to include the Wantz - Abo oil pool in the commingling installation. It is also our understanding that the Wantz - Abo pool production is of marginal nature and not capable of producing top unit allowable for that pool.

Inasmuch as ownership of all production is identical throughout and such production is all of marginal nature, Administrative Order PC-261 is hereby amended to permit the commingling of Blinebry oil, Drinkard oil, Blinebry Andensate, Tubb condensate, and Wantz - Abo oil with allocation based on periodic well tests. Also, the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

It is the responsibility of the producer to notify the purchaser of this commingling authority.

Sincerely,

R. L. Stamets
Director

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering - Hobbs
State Land Office - Santa Fe

RIS/hnk