

ARCO Oil and Gas Company
New Mexico-Arizona District
P.O. Box 1710
Hobbs, New Mexico 88240
Telephone 505 393 7163



OK W.S.

March 18, 1982

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

Attn: Mr. Jerry T. Sexton, Supervisor
and Oil & Gas Inspector, Dist I.

Dear Sir:

The ARCO Oil and Gas Company has received approval of Application to Downhole Commingle the State 367 Well No. 2 located in Unit L, Sec. 36-T21S-R37E, Lea County, New Mexico, Order No. R-6783.

Paragraph 2 of the order request that the operator consult with District Supervisor to determine Allocation of Production from each zone.

ARCO submits for your approval the following allocation formula:

<u>OIL</u>	
Drinkard	65%
Blaine	35%
	<u>100%</u>

<u>CASINGHEAD GAS</u>	
Drinkard	85%
Blaine	15%
	<u>100%</u>

The above allocation formula is based on yearly average production of Oil and Gas from the separate well bores and that this method of allocation is equitable for determining the zone allocation.

Sincerely yours,

D.L. Shackelford

D.L. Shackelford

DLS:kj

Attachment

Production Declines

State 367 #2 Drinkard/Blinebry Pools
Unit L, Sec. 36-21S-37E

Zone Production - February, 1981 thru February, 1982

<u>DRINKARD</u>			<u>BLINEBRY</u>		
<u>Month</u>	<u>BOPD</u>	<u>MCFGPD</u>	<u>Month</u>	<u>BOPD</u>	<u>MCFGPD</u>
2-2-81	2	139	5-9-81	0	4
3-15-81	2	115	9-26-81	3	3
4-18-81	2	186	10-16-81	0	0
5-10-81	2	136	1-26-82	1	2
6-20-81	2	180	2-24-82	1	1
10-12-81	1	160			
2-8-81	<u>4</u>	<u>59</u>			

Average Oil 2 Gas 139

Average Oil 1 Gas 2

Commingled Downhole Production - Bly/Drk

Test dated 3-17-82 27 BOPD 129 MCFGD

RECEIVED

MAR 19 1982

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HOUSE OFFICE