

ARCO Oil and Gas Company
New Mexico-Arizona District
P.O. Box 1710
Hobbs, New Mexico 88240
Telephone 505 293 7100



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April 5, 1982

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

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

Dear Sir:

The ARCO Oil and Gas Company has received approval of Application to Downhole Commingle the Roy Barton Well No. 2 located in Unit B, Section 23-T21S-R37E, Lea County, New Mexico by Order No. R-6783.

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

ARCO submits for your recommendation and/or approval of the following zone allocation formula.

<u>OIL</u>		<u>CASINGHEAD GAS</u>	
Drinkard	15%	Drinkard	20%
Blinebry	85%	Blinebry	80%
	<u>100%</u>		<u>100%</u>

The above allocation formula is based on yearly average production of oil and gas from the separate zones and that this method of production allocation is equitable for determining the zone allocation.

Sincerely yours,

D.L. Shackelford

DLS:kj

Attachments