## ARCO Oil and Gas Company Permian District Post Office Box 1610 idland, Texas 79702

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August 9, 1979

Mr. Joe D. Ramey Oil Conservation Division New Mexico Department of Energy & Minerals P. O. Box 2088 Santa Fe, New Mexico 87501

RE: Downhole Commingling Application S. J. Sarkeys #2 S. J. Sarkeys #3 Roy Barton #4 Section 23, T-21-S, R-37-E

Dear Sir:

ARCO Oil and Gas Company requests administrative approval under the provisions of Rule 303-C to downhole commingle production from the Blinebry and Tubb-Drinkard zones of the S. J. Sarkeys #2 and #3, and Roy Barton #4. These wells are located in Section 23, T-21-S, R-37-E, of Lea County, New Mexico.

Production on the Sarkeys Lease is presently being commingled in the surface facilities (Order #219) with no evidence of fluid incompatibility. Production from both zones of all three wells is priced as sour crude, therefore, downhole commingling will not affect the value of the oil. Ownership of both zones is common.

Each well produces from a maximum depth near 6600' and is therefore allowed a commingled production rate up to 40 BOPD. The water production limit for each well is 40 BWPD from each zone.

Attached is a Table summarizing production, water and bottom-hole pressures for each well. Each of the wells under consideration produces from both zones by natural flow.

Additional information, such as decline curves, Form C-116, List of Offset Operators, and lease and well information is included as required by Rule 303-C. Offset operators are being notified by registered mail with a copy of this application.