

ARCO Oil and Gas Company
Permian District
Post Office Box 1810
Midland, Texas 79702
Telephone 915 684-0100

OK



February 14, 1986

Mr. J. T. Sexton
Supervisor and Oil & Gas Inspector
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

RE: S. J. Sarkeys No. 3
Recommendation for Revised Production Allocation
Unit I - Section 23-T21S-R37E
Lea County, New Mexico

Dear Mr. Sexton:

A workover on the ARCO-operated S. J. Sarkeys No. 3 has recently been completed to: 1) test the Wantz Abo zone; and 2) add perforations and acidize the Blinebry and Drinkard zones. The Wantz Abo was tested in order to gain information that will be used in an application requesting approval to triple downhole commingle the Blinebry, Drinkard and Wantz Abo. The Wantz Abo is now temporarily abandoned with the use of a retrievable bridge plug. The S. J. Sarkeys No. 3 is currently a downhole commingled Blinebry/Drinkard producer. Downhole commingling of the Blinebry and Drinkard zones in the S. J. Sarkeys No. 3 was approved by NMOC Order No. DHC-290, and the Blinebry and Drinkard have been downhole commingled since November, 1980. Since perforations were added to both the Blinebry and the Drinkard, and since both zones were acidized, I recommend that we assign revised allocation factors to the downhole commingled Blinebry and Drinkard production.

After adding perforations and acidizing the Drinkard, the zone was swab tested for 28-3/4 hours and recovered 8 BO and 61 BW. After adding perforations and acidizing the Blinebry, the Blinebry was swab tested for 28 hours and recovered 38 BO and 122 BW. By normalizing the swab test data for the Blinebry and Drinkard to a 24 hour period, the production from each zone can be allocated as follows:

	Oil		Water	
	BOPD	%	BOPD	%
Blinebry	32.6	83	104.6	67
Drinkard	6.7	17	50.9	33
	<u>39.3</u>	<u>100</u>	<u>155.5</u>	<u>100</u>

Mr. J. T. Sexton
February 14, 1985
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Under NMOCD Order No. DHC-290, 80% of the oil and 91% of the gas was allocated to the Blinebry, and 20% of the oil and 9% of the gas was allocated to the Drinkard. Due to adding perforations and acidizing both the Blinebry and the Drinkard, I recommend that we adopt the following allocation factors for the S. J. Sarkeys No. 3:

	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Blinebry	83	91	67
Drinkard	17	9	33
	<u>100</u>	<u>100</u>	<u>100</u>

If you have any questions or comments, please call me at (915) 684-0157. A copy of NMOCD Order No. DHC-290 is attached. Thank you for your consideration.

Very truly yours,

Jack T. Lowder

Jack T. Lowder
Senior Engineer

JTL:tis
Attachments

cc: Ms. Kathryn Dickens - Hobbs
Mr. Kenneth Gosnell - MIO 310



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

September 7, 1979

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

Attention: J. L. Tweed

Administrative Order No. DHC-290
S. J. Sarkeys Well No. 3,
Unit I, Section 23, Township
21 South, Range 37 East, NMPM,
Lea County, New Mexico, Blinebry
Oil and Gas and Drinkard Pools

Gentlemen:

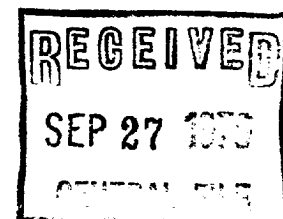
Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation and to commingle the production from both pools in the well-bore.

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 Division Order No. MC-1477-A, which authorized the dual completion and required separation of the zones, is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C, total commingled oil production from the subject well shall not exceed 40 barrels per day and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 4000 by top unit allowable for the Blinebry Oil and Gas Pool.

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

Upper Pool: 80%, Gas 91%
Lower Pool: 20%, Gas 9%

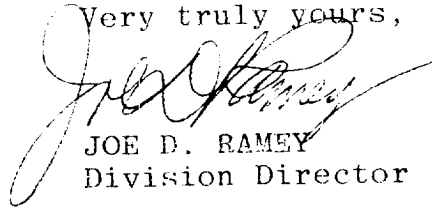


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DHC-290

Pursuant to Rule 303-C 5, the commingling 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.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Joe D. Ramey", is written over the typed name and title.

JOE D. RAMEY
Division Director

JDP/CU/og

cc: Oil Conservation Division
Box 1980
Hobbs, New Mexico

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

NO. OF COPIES RECEIVED	
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OPERATOR	

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator ARCO Oil & Gas Company	8. Farm or Lease Name S. J. Sarkeys
3. Address of Operator P.O. Box 1610, Midland, Texas 79702	9. Well No. 3
4. Location of Well UNIT LETTER <u>I</u> , <u>2310</u> FEET FROM THE <u>South</u> LINE AND <u>330</u> FEET FROM THE <u>East</u> LINE, SECTION <u>23</u> TOWNSHIP <u>21S</u> RANGE <u>37E</u> N.M.P.M.	10. Field and Pool, or Wildcat Wantz - Abo
15. Elevation (Show whether DF, RT, GR, etc.) 3405 GR	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

1-14-86: RU PU. POH w/pmp & rods.
1-15-86: RIH w/72 hr BHP. RDP. Bress buildup on Wantz Abo 6810-7236.
1-23-86: RU PU. POH w/pkr. RIH w/RBP & FBRC pkr. Set RBP @ 6745. Test to 1000# OK. Set pkr @ 6200. Swbd FL down to 6100'. Set BHP bomb @ 6200'. SI f/PBU. 1-25-86
Drinkard perms 6280-6672
1-27-86: Pulled BHP bomb. Acdzd Drinkard 6280-6672' w/3500 gals.
1-28-86: In 10-3/4 hrs swbd 1 BO, 31 BLW, FFL 6200.
1-29-86: In 10-3/4 hrs swbd 3 BO, 17 BLW, FFL 6200.
1-30-86: In 5 hrs swbd 4 BO, 2 BLW, FFL 6200.
1-31-86: Reset RBP @ 6105'. Set pkr @ 5550'. Swbd FL down to 3800'. Ran 72 hr BHP bomb & set @ 5550'. SI for PBU on Blinebry.
2-4-86: Pulled BHP bomb. Acdzd Blinebry 5756-5901 w/3000 gals. Swab test.
2-8-86: Reset RBP @ 6745 to isolate Wantz Abo. RIH w/tbg, rod & pump. Began pumping to common storage.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Ken W. Lomell 915-684-0312
TITLE Engr. Tech. Spec. DATE 2-14-86

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: