ARCO Oil and Gas Company

Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200



August 19, 1988

Mr. William J. LeMay New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

RE: Application for Downhole Commingling of the Justis Blinebry and Justis Tubb/Drinkard Pools Carlson Federal "A" No. 2 1980' FSL & 1650' FEL, Sec. 23, T-25-S, R-37-E Lea County, New Mexico

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval under the provisions of Rule 303-C to downhole commingle the Justis Blinebry and Justis Tubb/Drinkard pools in the Carlson Federal "A" No. 2. This well is presently completed in the Justis Blinebry Oil Pool and produces 10 BOPD, 17 MCFPD, and 21 BWPD. We recently tested the Tubb formation for 3 BOPD, 25 MCFPD, and 32 BWPD. Producing only the Blinebry is economically marginal due to the low rates, but commingling the two zones should return the well to profitability. Additionally, ARCO plans to unitize this area in 1990 with the proposed South Justis Unit. Commingling the two zones will help us retain the lease for secondary recovery.

A summary of information required for commingling is attached. Additionally, ARCO has a 100% interest in this lease and the royalty interests of each zone are common. Based on the information we have gathered, we believe the request to commingle is justified in the interest of conservation. Thank you for your consideration. If you have any questions, please call me at 915-688-5355.

Sincerely yours,

Pachard & Prentice

R. S. Prentice Senior Engineer

RSP:1s

xc: Mr. J. T. Sexton
New Mexico Oil Conservation Division
1000 N. Broadway
P. O. Box 1980
Hobbs, New Mexico 88240

A. L. Stafford - Andrews S. M. Stroder - Jal