

ARCO Oil and Gas Company

Permian District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 684 0100



August 16, 1979

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

RE: State Y #3  
Section 25, T-25-S, R-37-E  
Lea County, New Mexico  
Application to downhole  
Commingled Blinebry and  
Montoya Zones

Dear Sir:

ARCO Oil and Gas Company requests administrative approval under the provisions of Rule 303-C to downhole commingle Blinebry and Montoya production in the State Y #3, located in Section 25, T-25-S, R-37-E of Lea County, New Mexico.

Production from the Blinebry, Montoya, and Fusselman zones has been commingled in the surface lease facilities (Order #R-1337) with no indication of fluid incompatibility. Since the crudes are commingled at the battery before sale, no change in value will result from commingling the production downhole. Ownership of both zones is common, and downhole commingling will not violate correlative rights.

Producing from a maximum depth of 6883', this well is allowed a commingled production rate of 40 BOPD. The water production limit is 40 BOPD from each zone.

Both sides of the State Y No. 3 have been shut-in since January, 1979, due to a hole in the Blinebry tubing and a Kobe pump string part in the Montoya. We would like to do the necessary repair work at the same time we commingle the production downhole.

Productivity tests showed Blinebry production to be 6 BOPD + 0 BOPD + 144 MCFPD (12-7-78) and Montoya production to be 19 BOPD + 83 BOPD + 9 MCFPD (12-1-78) shortly before being shut-in on January 18, 1979. The producing intervals are 5118-5530' and 6821-6883', respectively.