

1. Operator: ARCO Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702
2. Lease, Well & Location: State Y #3
330' FNL & 1650' FEL
Section 25, T-25-S, R-37-E
Lea County, New Mexico
3. Producing Zones: Blinebry - Flowing (S.I.)
Montoya - Pump (S. I.)
4. Current Production:

 Blinebry - Oil - 6 BOPD
 Water - 0 BWPD
 Gas - 144 MCFPD

 Montoya - Oil - 19 BOPD
 Water - 83 BWPD
 Gas - 9 MCFPD
5. Commission Number Authorizing Dual Completion:

 MS-1153
6. Fluid Compatibility and Value: Production is presently commingled in surface facilities with no evidence of fluid incompatibility (#R-1337). Because this is before sale, no change in value will result from downhole commingling.
7. Decline Curves: Enclosed
8. Estimated bottom hole pressures: Blinebry - 260 psig
 Montoya - 1000 psig
9. Offset Operators are being notified by registered mail with a copy of this application.