STATE Y #7

1. Operator: ARCO Oil & Gas Company

P. O. Box 1610

Midland, Texas 79702

2. Lease, Well & Location: State Y #7

430' FNL & 760' FEL Sec. 25, T-25-S, R-37-E Lea County, New Mexico

3. Producing Zones: Blinebry - Artificial Lift

Montoya - Artificial Lift

4. Current Productions: Rule 303-C Limits:

 14 80PD
 0il
 40 B0PD

 1 BWPD
 Bly Water
 40 BWPD

 25-60 BWPD
 Mont.Water
 40 BWPD

5. Commission Number Authorized Dual Completion:

DC-765

- 6. Fluid Compatibility: Demonstrated by present surface commingling (Order #R-1337)
- 7. Decline Curves: Enclosed
- 8. Estimated bottom hole pressures:

Blinebry - 268 psig Montoya -1042 psig

- 9. Fluid Value: Not affected, because sale is presently after commingling at surface.
- 10. All Offset Operators are being notified by registered mail with a copy of this application.