

ARCO Oil and Gas Company
Rocky Mountain District
717-17th Street
Mailing address: P.O. Box 5540
Denver, Colorado 80217
Telephone 303 575 7000



March 30, 1983

Mr. Joe D. Ramey, Director
Oil Conservation Division
State of New Mexico
Box 2088
Santa Fe, New Mexico 87501

RE: Application for Administrative Approval
For a Non-Standard Gas Proration Unit
Chacon Federal Well #8 (Dakota)
1825' FNL & 1850' FEL (Unit G)
N/2 of Section 19-T24N-R3W
Rio Arriba County, New Mexico

Dear Mr. Ramey:


In response to Mr. Frank Chavez's letter of March 2, 1983, the subject application is hereby made to the Oil Conservation Division of the State of New Mexico requesting Administrative Approval for a non-standard Gas Proration Unit on the subject well.

This well was drilled and completed as an oil well on a 191.55 acreage dedication. The well has since been reclassified as a gas well due to a high gas/oil ratio.

Enclosed is a copy of the certified letter sent to the offset operator requesting their approval of the non-standard well location. A fully executed copy will be forwarded to your office when received. Also enclosed is a copy of the New Mexico Form C-102, as well as a location plat and listing showing the offset operators.

Your early approval of this application will be appreciated.

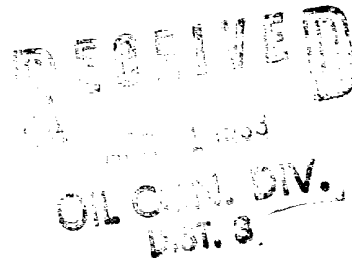
Very truly yours,


W. A. Walther, Jr.
Operations Manager

WAW/BRS:dc

Enclosure

cc: Mr. Frank T. Chavez, New Mexico Oil Cons. Div., Aztec, New Mexico ✓
Bureau of Land Management, Farmington, New Mexico



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March 29, 1983

TO: Offset Operators (See Attached Listing)

Certified Mail
Return Receipt Requested

RE: Chacon Federal Well No. 8 (Dakota)
1825' FNL & 1850' FEL
Section 19-T24N-R3W
Rio Arriba County, New Mexico

Dear Offset Operator:

ARCO Oil and Gas Company, Division of Atlantic Richfield Company, requests your consent and approval of a non-standard acreage dedication of 191.55 acres for the subject well.

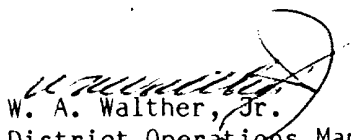
Pursuant to Rule 104-D of the Oil Conservation Commission of the State of New Mexico, it is necessary to notify all offset operators when an application has been filed for a non-standard acreage dedication.

The subject well was drilled and completed as an oil well on a 191.55 acreage dedication. The well has since been reclassified as a gas well due to a high gas/oil ratio. The standard gas well acreage dedication is 320 acres.

I would appreciate it if you would sign and date the Consent and Approval Form contained in this letter, and return one executed and dated copy of the letter to me in the enclosed self-addressed stamped envelope and keep the other copy for your records. Due to time limitations, we would also appreciate your calling Mr. Joe D. Ramey, Director, New Mexico Oil Conservation Division, Area Code 505, 827-2434, advising him of your concurrence of this non-standard acreage dedication.

If you have any objections or questions concerning this request, please call me at your earliest convenience.

Very truly yours,


W. A. Walther, Jr.
District Operations Manager

WAW/dc

Enclosure

CONSENT AND APPROVAL

Chacon Federal #8

_____ by its authorized
signatory below, hereby consents to and approves of the non-standard
acreage dedication of 191.55 acres for the foregoing gas well at the
location indicated.

Dated this _____ day of _____, 1983

By: _____

Title: _____

OFFSET OPERATORS

CHACON FEDERAL #2, #3, #5, #6, #7, #8
19-24N-3W
29-24N-3W
30-24N-3W
33-24N-3W
Rio Arriba County, New Mexico

Mobil Oil Company

Odessa Natural Gas Corporation

Southland Royalty

Cotton Petroleum

El Paso Natural Gas Corporation

Mountain States Resources, Inc.

WELL LOCATION AND ACREAGE

Distances must be from the outer boundaries of the section.

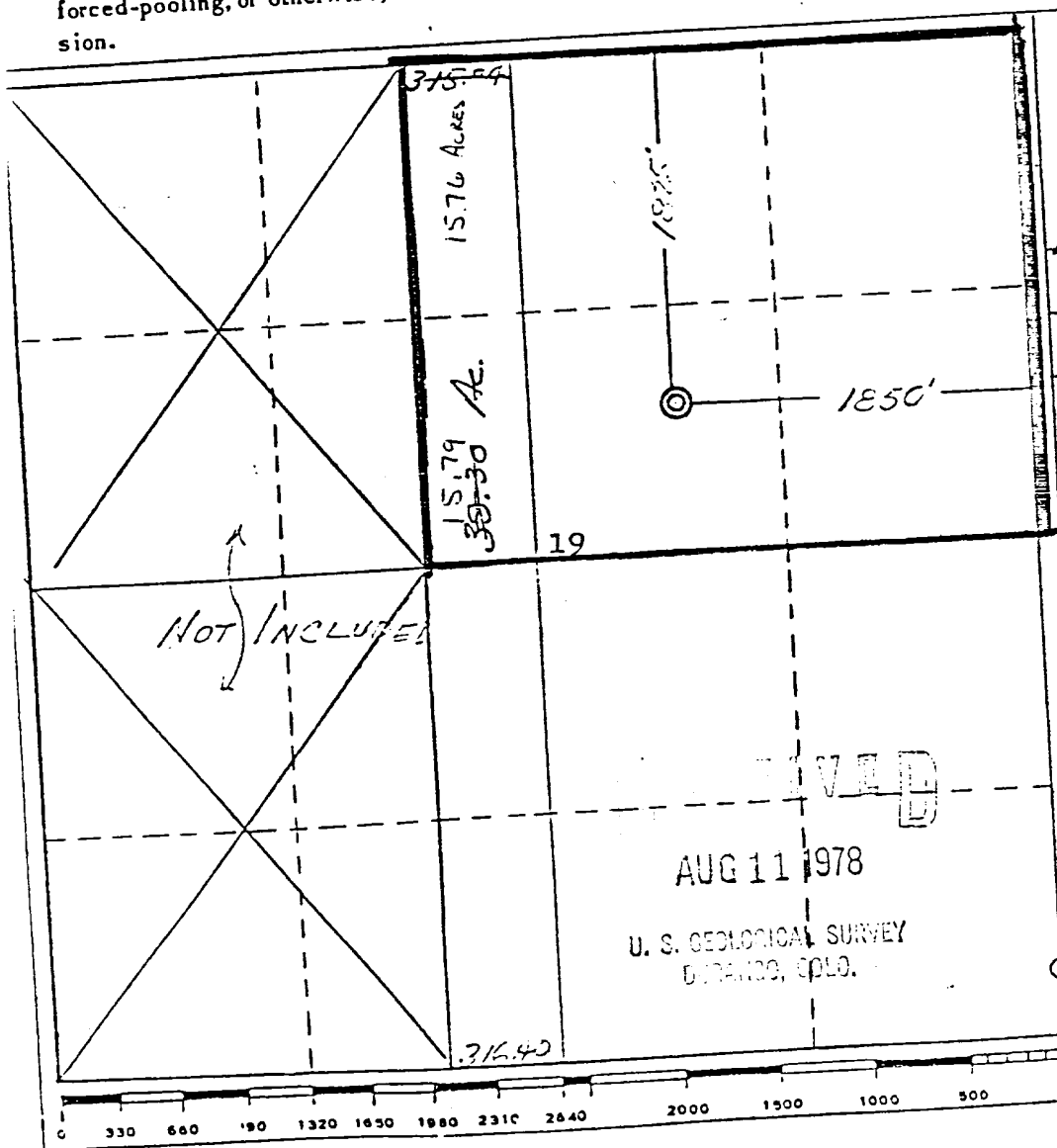
THE ATLANTIC RICHFIELD COMPANY			Lease CHACON FEDERAL		Well No. 8
Letter G	Section 19	Township 24 NORTH	Range 3 WEST	County RIO ARriba	
Actual Footage Location of Well: 1825 feet from the NORTH line and 1850 feet from the EAST line					
Well Level Elev. 5907	Producing Formation Dakota		Pool Chacon Dakota		Dedicated Acreage: N/2 191.55 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name

W. A. Walther, Jr.

Position

Operations Manager

Company

Atlantic Richfield Company

Date

August 10, 1978

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

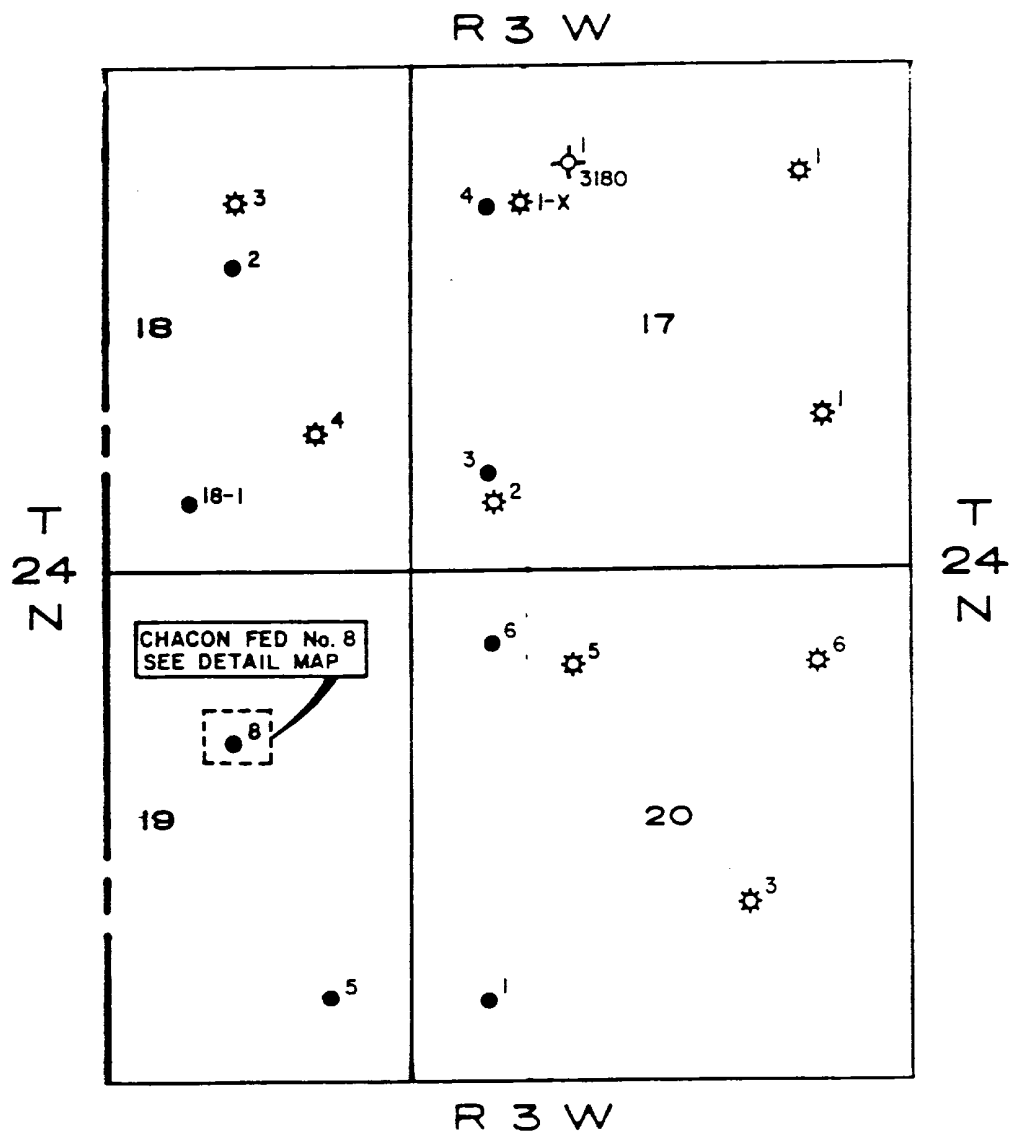
30 June 1978

Registered Professional Engineer and/or Land Surveyor

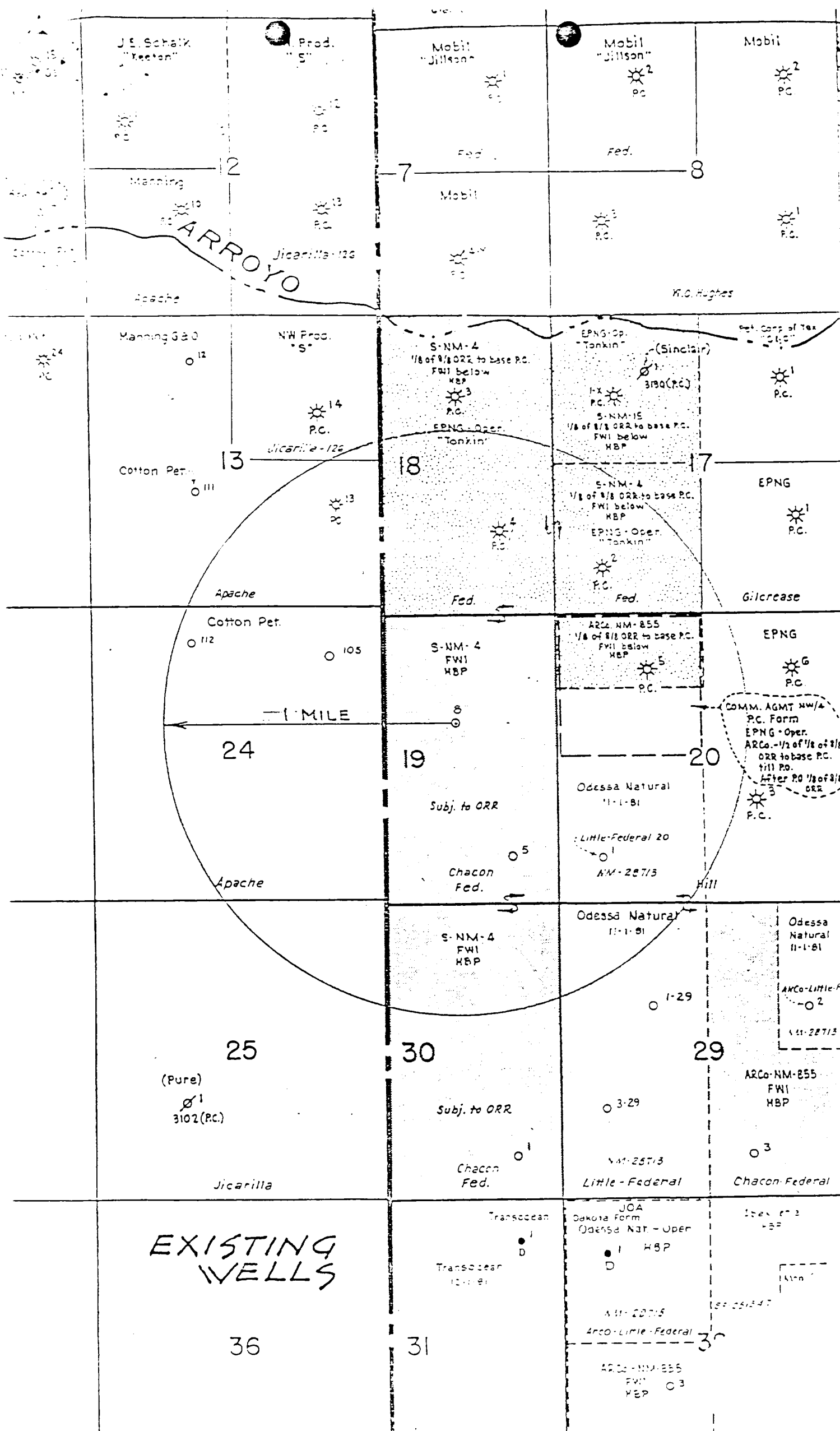
James P. Leese

Certificate No.

1463



Atlantic Richfield Company
 CHACON FED No. 8
 RIO ARRIBA COUNTY, NEW MEXICO
 SHEET 1 OF 4



J.E. Schaak
"Keaton"

Prod.
"S"

Mobil
"Jillson"

Mobil
"Jillson"

Mobil

Manning

Mobil

Fed.

K.O. Hughes

Manning G&O

NW Prod.
"S"

EPNG-Op.
"Tonkin"

Ind. Corp. of Tex.
"G.L.S."

Cotton Pet.

18

17

Apache

Fed.

Fed.

Gilcrease

Cotton Pet.

S-NM-4
FWI
HBP

ARCo-NM-855
1/8 of 3/8 ORR to base P.C.
FWI below
HBP

EPNG

1 MILE

24

19

20

Apache

Subj. to ORR

Odessa Natural
11-1-81

COMM. AGMT NW/4
P.C. Form
EPNG-Oper.
ARCo-1/2 of 1/8 of 3/8
ORR to base P.C.
till P.O.
After P.O. 1/8 of 3/8
ORR

Chacon
Fed.

Little-Federal 20
NM-28713

Odessa Natural
11-1-81

Odessa
Natural
11-1-81

ARCo-Little-Fe
11-1-81

NM-28713

(Pure)

3102(P.C.)

Jicarilla

30

Subj. to ORR

Chacon
Fed.

3-29

NM-28713
Little-Federal

ARCo-NM-855
FWI
HBP

Chacon-Federal

EXISTING
WELLS

Transocean

JOA
Oklahoma Form
Odessa NAT - Oper

Ind. Corp. of Tex.
"G.L.S."

Transocean
11-1-81

1 HBP

NM-28713

ARCo-Little-Federal

ARCo-NM-855
FWI
HBP

3