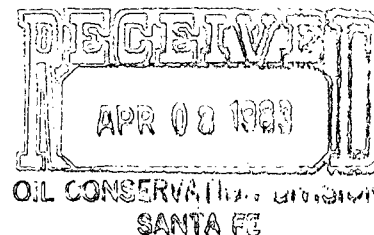


**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping3001 Northridge Drive
P.O. Drawer 419
Farmington, New Mexico 87401
(505) 327-4892

April 6, 1983

*NSP 1360
Rule 4b
R5853
5-8-83*

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

REF: Dave M. Thomas, Jr. - Operator
Chacon Jicarilla Apache "D" No. 103
Unit C, Sec. 35-T23N-R3W *NW/4*
Chacon Dakota Associated Pool
Rio Arriba County, New Mexico
Lease No: Jicarilla Apache
Contract No. 55-A

Dear Mr. Ramey:

This is a application on behalf of the above-referred-to Operator for administrative approval of an non-standard proration unit for the above-referred-to well.

Reference is made to Order R-5353-B and R-5353-B1, Special Rules and Regulations for the Chacon Dakota Associated Pool requiring that a standard oil proration unit shall be 160 acres and a standard gas proration unit shall be 320 acres.

The Chacon Jicarilla Apache "D" No. 103 is currently classified as a gas well. An acreage dedication of 320 acres would require that the N/2, Section 35-T23N-R3W be dedicated to the well. However, the Dave M. Thomas, Jr., Chacon Jicarilla Apache "D" No. 110, NE/4, Section 35-T23N-R3W, is classified as an oil well and requires a dedication of 160 acres.

Section B, Rule 5(b), of the Special Rules and Regulations, states that the simultaneous dedication of any acreage to an oil well and a gas well is prohibited. Therefore, the NE/4 Section 35-T23N-R3W, 160 acres, can only be dedicated to the above-referred-to well and would be considered a non-standard proration unit.

This application is being made as per Rule 4(b), of the Special Rules and Regulations, and your consideration and approval would be appreciated.



Page 2

Mr. Joe D. Ramey
Oil Conservation Commission
Santa Fe, New Mexico

The offset operators, indicated on the enclosed plat, have been notified by certified mail of the intent to form a non-standard pro-
ration unit.

Very truly yours,

A handwritten signature in cursive script, reading "Ewell N. Walsh".

Ewell N. Walsh, P.E.
President

ENW:rr

cc: Dave M. Thomas, Jr.

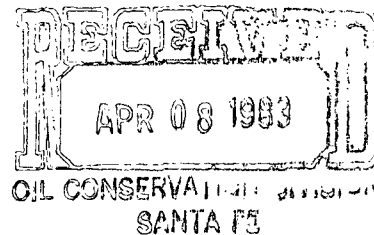
Frank Chavez, District Supervisor, OCD, Aztec, N.M.


El Paso Exploration, Farmington, N.M.

Chace Oil Company, Albuquerque, N.M.

The Superior Oil Company, Denver, Colorado

Enclosure



El Paso Exploration	Dave M. Thomas, Jr.	Dave M. Thomas, Jr.
27	26	25
Chace Oil Company	Dave M. Thomas, Jr.  105 110 Jicarilla Apache "D" Lease _____ 35 _____ The Superior Oil Co.	Dave M. Thomas, Jr.

$$\begin{matrix} \text{T} \\ 23 \\ \text{N} \end{matrix}$$

WALSH

ENGINEERING & PRODUCTION CORP.



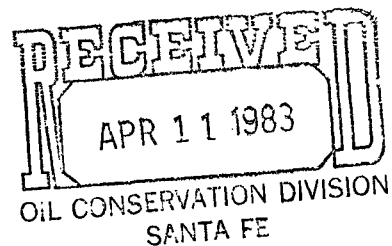
CHACE OIL COMPANY, INC.

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 266-5562

NSP-1360



April 7, 1983

Waiver

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

Re: Dave M. Thomas, Jr. - Operator
Chacon Jicarilla Apache "D" No. 103
Unit C, Sec. 35-T23N-R3W
Chacon Dakota Associated Pool
Rio Arriba County, New Mexico
Lease No: Jicarilla Apache
Contract No. 55-A

Dear Mr. Ramey:

In accordance with a request from Ewell N. Walsh, P. E., President of Walsh Engineering, we are enclosing a waiver, signed and dated, for the above referenced well.

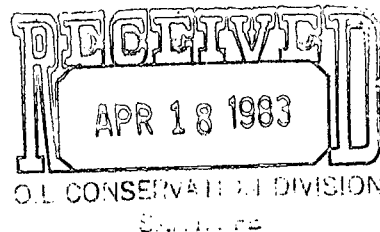
Very truly yours,

B.W. Miller

B. W. Miller
President

BWM/ss

Encl. Waiver



WAIVER OF CONSENT

1360

REF: Dave M. Thomas, Jr. - Operator
Chacon Jicarilla Apache "D" No. 103
Unit C, Section 35-T23N-R3W
Chacon Dakota Associated Pool
Rio Arriba County, New Mexico
Lease No: Jicarilla Apache
Contract No. 55-A

The undersigned, being an offset operator, hereby approves the application for administrative approval of a non-standard proration unit for the above-referred-to well.

DATED: April 14, 1983

EL PASO EXPLORATION COMPANY

BY: David M. Poage
David M. Poage

TITLE: Landman



WAIVER OF CONSENT

FOR: Dave M. Thomas, Jr. - Operator
Chacon Jicarilla Apache "D" No. 103
Unit C, Section 35-T23N-R3W
Chacon Dakota Associated Pool
Rio Arriba County, New Mexico
Lease No: Jicarilla Apache
Contract No. 55-A

The undersigned, being an offset operator, hereby approves the application for administrative approval of a non-standard proration unit for the above-referred-to well.

DATED: April 7, 1983

CHACE OIL COMPANY

BY: B.W. Miller

TITLE: President