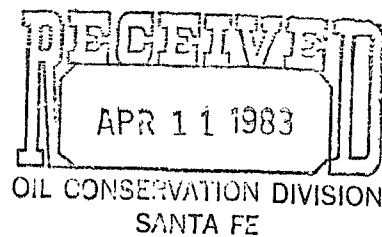


ARCO Oil and Gas Company  
Rocky Mountain District  
717-17th Street  
Mailing address: P.O. Box 5540  
Denver, Colorado 80217  
Telephone 303 575 7000



March 30, 1983

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

*NSP 1366  
Rule 4(b) R5353  
Chacon-Dakota Associated  
Pool  
5-11-83*

RE: Application for Administrative Approval  
For a Non-Standard Gas Proration Unit  
Chacon Federal Well #3 (Dakota)  
800' FSL & 1840' FEL (Unit 0)  
SE/4 of Section 29-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 ~~160~~ acreage dedication. The well has since been reclassified as a gas well due to a high gas/oil ratio. ARCO does not operate the lease on the offsetting 160 acres.

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,

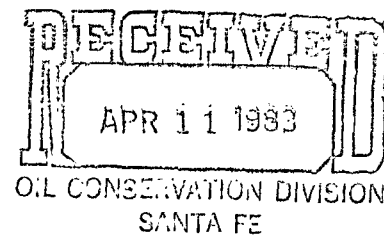
  
W. A. Walther, Jr.  
Operations Manager

WAW/BRS:dc

Enclosure

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

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 29, 1983

TO: Offset Operators (See Attached Listing)

Certified Mail  
Return Receipt Requested

RE: Chacon Federal Well No. 3 (Dakota)  
800' FSL & 1840' FEL  
Section 29-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 160 acres for the subject well.

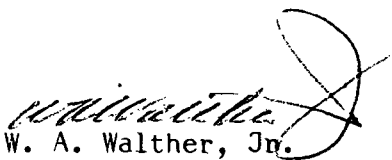
Pursuant to Rule 104-D of the Oil Conservation Commission of the State of New Mexico, it is necessary to notify all offset operators when an application has been filed for a non-standard acreage dedication.

The subject well was drilled and completed as an oil well on a 160 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 #3

\_\_\_\_\_ by its authorized  
signatory below, hereby consents to and approves of the non-standard  
acreage dedication of 160 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

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Mobil Oil Company

Odessa Natural Gas Corporation

Southland Royalty

Cotton Petroleum

El Paso Natural Gas Corporation

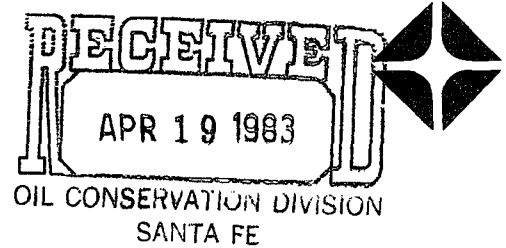
Mountain States Resources, Inc.

RECEIVED  
APR 11 1983

APR 11 1983

**SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.**

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



April 15, 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 #3 (Dakota)  
800' FSL & 1840' FEL (Unit 0)  
SE/4 of Section 29-T24N-R3W  
Rio Arriba County, New Mexico

Dear Mr. Ramey:

Please refer to our letter of March 30, 1983, regarding an Application for Administrative Approval for a Non-Standard Gas Proration Unit for the subject well.

In response to your Mr. Dick Stamets' telephone request of April 12, 1983, attached are three "corrected location plats" showing offset operators for this well.

If additional information is required, please let me know.

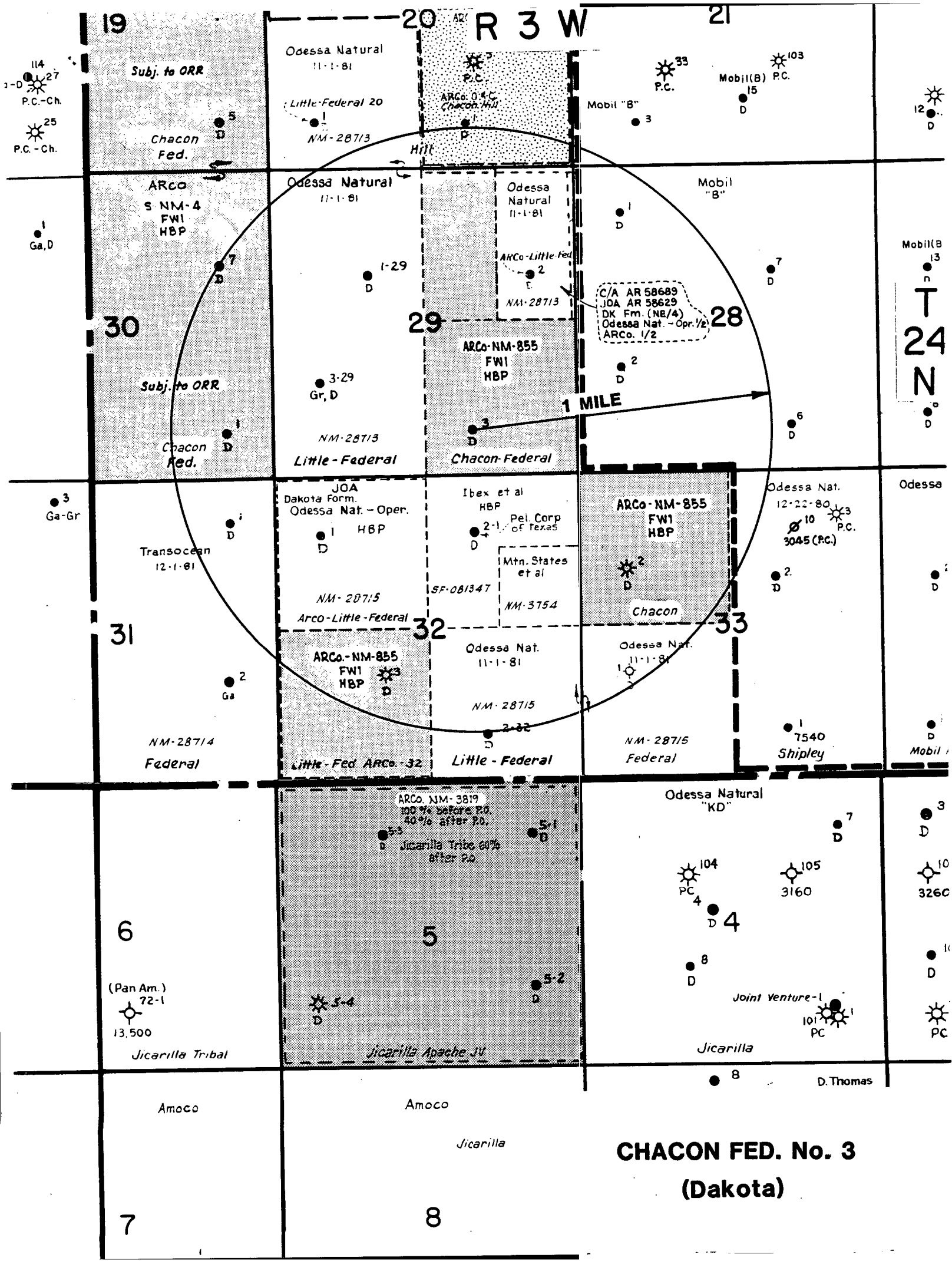
Very truly yours,

*W. A. Walther, Jr.*  
W. A. Walther, Jr.  
Operations Manager

WAW/BRS/rn

cc: Mr. Frank T. Chavez  
New Mexico Oil Conservation District  
Aztec, New Mexico

Bureau of Land Management  
Farmington, New Mexico



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

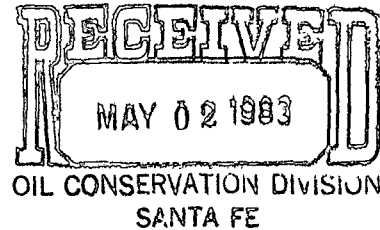
hsp-  
1366



March 29, 1983

TO: Offset Operators (See Attached Listing)

Certified Mail  
Return Receipt Requested



RE: Chacon Federal Well No. 3 (Dakota)  
800' FSL & 1840' FEL  
Section 29-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 160 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 160 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

772 MCFD - 7 BOPD  
133 MCF - 75 MBO



CONSENT AND APPROVAL

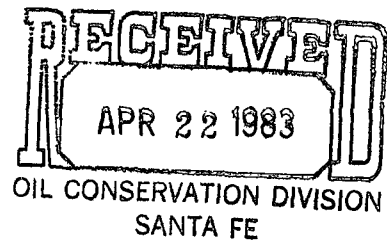
Chacon Federal #3

Southland Royalty Company by its authorized signatory below, hereby consents to and approves of the non-standard acreage dedication of 160 acres for the foregoing gas well at the location indicated.

Dated this 29th day of April, 1983

By: CC Parsons

Title: District Production Manager




CONSENT AND APPROVAL

Chacon Federal #3

EL PASO EXPLORATION COMPANY by its authorized signatory below, hereby consents to and approves of the non-standard acreage dedication of 160 acres for the foregoing gas well at the location indicated.

Dated this 18th day of April, 1983

By:   
David M. Poage

Title: Landman