

ARCO Permian 600 N Marienfeld Midland TX 79701 Post Office Box 1610 Midland TX 79702 Telephone 915 688 5200

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. <u>11726</u> Exhibit No. <u>6</u>

February 26, 1997

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: March 6, 1997

Mewbourne Oil Company 800 West Texas, Suite 1020 Midland, Texas 79701 Attention: Mr. D. Paul Haden

Re:

Mimosa 8 State Com No. 1 Well Township 18 South, Range 28 East

Section 8: S/2

Eddy County, New Mexico

Gentlemen:

Atlantic Richfield Company (ARCO) is seeking approval of an unorthodox surface and bottom hole location for the referenced well. Mewbourne Oil Company (Mewbourne) has received the appropriate notice letter for this application. Mewbourne hereby waives any objections to the unorthodox location sought by ARCO under the following conditions:

- 1. All well information acquired by ARCO, or the operator of the referenced well, will be made available to Mewbourne, which information includes but is not limited to drilling reports, directional surveys, coring, DST's, drilling sample descriptions, mud logs, openhole logs, cased hole logs, completion reports, 4-point tests, daily production records, flow rates, pressures, any bottom-hole pressure tests, and reservoir fluid analysis. Such information shall be reported to Mewbourne as it becomes available to ARCO or the operator of the captioned well and such information shall be reported to Mewbourne until 200 MMCFG is produced or one (1) year from the completion date of the referenced well, whichever is longer.
- 2. ARCO agrees not to oppose an application for a non-standard unit and/or an application for increased density Morrow well for an existing gas proration unit in Section 17, Township 18 South, Range 28 East, Eddy County, New Mexico, if proposed by Mewbourne, provided that Mewbourne's Morrow pay is centered no closer than a minimum of 403' FNL (± 50') of said Section 17. Should Mewbourne propose and drill a Morrow well in Section 17, ARCO will be provided the same well information as listed in item one (1) above.

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If the terms are acceptable, please sign and return one copy to the undersigned within seven (7) days of this date. Failure to return same within this time period shall render this agreement null and void at ARCO's sole option.

Very truly yours,

Lee M. Scarborough Land Director, SE New Mexico

LMS/sb

AGREED to and ACCEPTED this 4th day of February, 1997.

Mewbourne Oil Company

By: _ Name typed

or Printed:

11:19AMOTAL P.003 PRINT TIME