

EXHIBIT A

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Sun Oil Company
Post Office Box 1861
Midland, Texas 79702

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
TELECOPIER (505) 983-6043

October 19, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Re: Application of ARCO Oil & Gas Company to Reinstate
Division Order No. R-4984, Simultaneous Dedication and
an Unorthodox Gas Well Location, Lea County, New Mexico

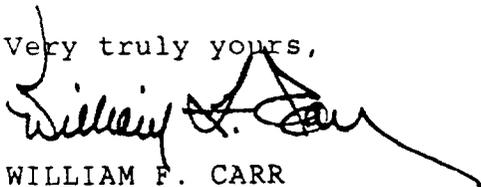
Gentlemen:

By letter dated August 24, 1988, Cindy W. Ellis, Senior Engineer for ARCO Oil & Gas Company provided you a copy of ARCO's application to the New Mexico Oil Conservation Division for administrative approval of a 640-acre multiple well gas proration unit for the ARCO Oil & Gas Company's McDonald State WN Nos. 11, 27, 28 and 31. Copies of this application were supplied to you because you are an offset operator to the proration unit in the Jalmat Gas Pool. This application has been set for hearing before an Examiner of the Oil Conservation Division on November 9, 1988.

This letter is to advise you that in addition to seeking approval of this 640-acre multiple well gas proration unit and the simultaneous dedication of the wells thereon, ARCO also seeks approval of an unorthodox gas well location 660 feet from the North and East lines of said Section 14 in the Jalmat Gas Pool for the No. 31 Well.

You are not required to attend the November 9, 1988 hearing, but as an owner of an interest that may be affected by this application you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR ARCO OIL & GAS COMPANY
WFC:mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Marathon Oil Company
 Post Office Box 552
 Midland, Texas 79702

4. Article Number
 P 784 192 801

Type of Service:
 Registered Certified Express Mail
 Insured COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 X

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
10/19/88

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 784 192 801
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to Marathon Oil Company	
Street and No. Post Office Box 552	
P.O. State and ZIP Code Midland, TX 79702	
Postage	\$ 1.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date October 19, 1988	

CAMPBELL & BLACK, P.A.

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October 19, 1988

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RETURN RECEIPT REQUESTED

Sun Oil Company
Post Office Box 1861
Midland, Texas 79702

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Division Order No. R-4984, Simultaneous Dedication and
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR ARCO OIL & GAS COMPANY
WFC:mlh

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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Sun Oil Company
 Post Office Box 1861
 Midland, Texas 79702

4. Article Number
 P 784 192 800

Type of Service:
 Registered Certified Express Mail
 Insured COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 [Signature]

6. Signature - Agent
 [Signature]

7. Date of Delivery
 10 Oct 88

8. Addressee's Address (ONLY if requested and fee paid)
 Box 1861

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

P 784 192 800
 RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to Sun Oil Company	
Street and No Post Office Box 1861	
P.O. State and ZIP Code Midland, TX 79702	
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date October 19, 1988	

PS Form 3800, June 1985

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9512
Order No. R-4984-A

APPLICATION OF ARCO OIL AND GAS
COMPANY TO REINSTATE DIVISION
ORDER NO R-4984, SIMULTANEOUS
DEDICATION, AND AN UNORTHODOX GAS
WELL LOCATION, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 9, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 30th day of November, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-4984, dated March 11, 1975, the Division authorized the applicant in said case, Atlantic Richfield Company, to form a standard 640-acre gas proration unit in the Jalmat Gas Pool consisting of Section 14, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said order further authorized the simultaneous dedication of said proration unit to the existing McDonald "WN" Well Nos. 11 and 27, located at unorthodox locations respectively in Units D and O of said Section 14.

(3) By letter dated June 18, 1976, the Division further authorized Atlantic Richfield Company to drill its McDonald "WN" Well No. 28 at an unorthodox gas well location in Unit F of said Section 14, and further authorized the simultaneous dedication of Section 14 to the McDonald "WN" Well Nos. 11, 27, and 28.

(4) By Administrative Order No. NSP-1535, dated June 7, 1988, the Division authorized the formation of a 160-acre non-standard gas proration unit comprising the NE/4 of said Section 14, said non-standard unit to be dedicated to the McDonald "WN" Well No. 31 which was drilled at a standard 160-acre gas well location.

(5) By Administrative Order No. NSP-1536 (L)(SD), dated June 7, 1988, the Division authorized the formation of a 480-acre non-standard gas proration unit comprising the W/2 and SE/4 of said Section 14, said non-standard unit to be simultaneously dedicated to the McDonald "WN" Well No. 11 located at a standard location, and the McDonald "WN" Well Nos. 27 and 28 located at unorthodox locations.

(6) The applicant, ARCO Oil and Gas Company, seeks to reinstate said Division Order No. R-4984 and in effect reform the standard 640-acre gas proration unit consisting of said Section 14, said unit to be simultaneously dedicated to the existing McDonald "WN" Well Nos. 11, 27, 28, said wells being at orthodox or approved unorthodox locations as described above, and the McDonald "WN" Well No. 31 located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of said Section 14.

(7) The evidence presented indicates that the McDonald "WN" Well No. 31, which was drilled to and completed in the Jalmat Gas Pool in July, 1988, was drilled at said unorthodox location in order to penetrate the Yates formation at a structurally advantageous position.

(8) A well at said unorthodox location will better enable the applicant to produce the gas underlying the proration unit.

(9) No offset operator objected to the proposed un-orthodox gas well location or the reinstatement of Division Order No. R-4984.

(10) Approval of the subject application will cause to simplify the status of the subject acreage currently governed by numerous Division Orders and will not result in the violation of correlative rights.

(11) Division Order No. R-4984 should be reinstated and Division Order Nos. NSP-1535 and NSP-1536 should be superseded.

IT IS THEREFORE ORDERED THAT:

(1) The application of Arco Oil & Gas Company for the reinstatement of Division Order No. R-4984 is hereby approved.

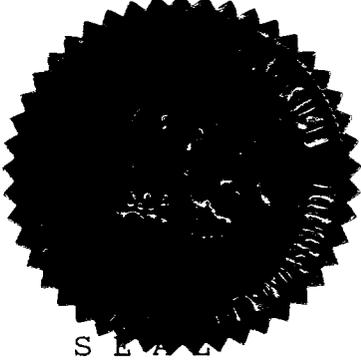
(2) The 640-acre standard gas proration unit consisting of Section 14, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, and approved by said order No. R-4984, shall be simultaneously dedicated to the applicant's McDonald "WN" Well Nos. 11, 27, and 28, located at standard or previously approved non-standard gas well locations in said Section 14, and to the applicant's McDonald "WN" Well No. 31 located at a non-standard gas well location, also hereby approved, 660 feet from the North and East lines (Unit A) of said Section 14.

(3) Division Order Nos. NSP-1535 and NSP-1536 are hereby superseded by this order.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9512
Order No. R-4984-A
Page -4-

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

William J. Lemay

WILLIAM J. LEMAY
Director