

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



February 13, 1986

Mr. Richard L. Stamets
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Stamets:

Application for 40-acre Non-Standard Proration Unit
Lea 396 State No. 2-Dean Permo-Pennsylvanian Pool
SE/4 NW/4 Section 35, T-15-S, R-36-E
Lea County, New Mexico

ARCO Oil and Gas Company (AOGC) respectfully requests administrative approval for a 40-acre non-standard proration unit for the Lea 396 State No. 2, located SE/4 NW/4, Section 35, T-15-S, R-36-E, Lea County, New Mexico. This application is necessary due to offset development.

NMOCC Order No. R-892 established 80-acre proration units for the Dean Permo-Pennsylvanian Pool. However, Bliss Petroleum recently completed the ARCO State No. 1-Y as a Dean Permo-Pennsylvanian producer in the SW/4 NW/4, Section 35, T-15-S, R-36-E, Lea County, New Mexico. The ARCO State No. 1-Y is located on the western 40-acres of the original 80-acre proration unit occupied by AOGC's Lea 396 State No. 2. Bliss Petroleum has requested NMOCD approval for the formation of a 40-acre non-standard proration unit for the ARCO State No. 1-Y, which necessitates the formation of a 40-acre non-standard proration unit for the Lea 396 State No. 2. A C-102 plat of the proposed 40-acre non-standard proration unit for the Lea 396 State No. 2 and a map showing the offset operators is attached.

NSP-1438

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AOGC is notifying the offset operators of this application by registered mail and is asking for waivers to objections of this application. A list of the offset operators is attached.

Please contact me at (915) 684-0157 if you have any questions.

Very truly yours,

Jack T. Lowder

Jack T. Lowder
Senior Engineer

JTL:tis

Attachments

cc: New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

Offset Operators
(attached list)

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-85

All distances must be from the outer boundaries of the Section.

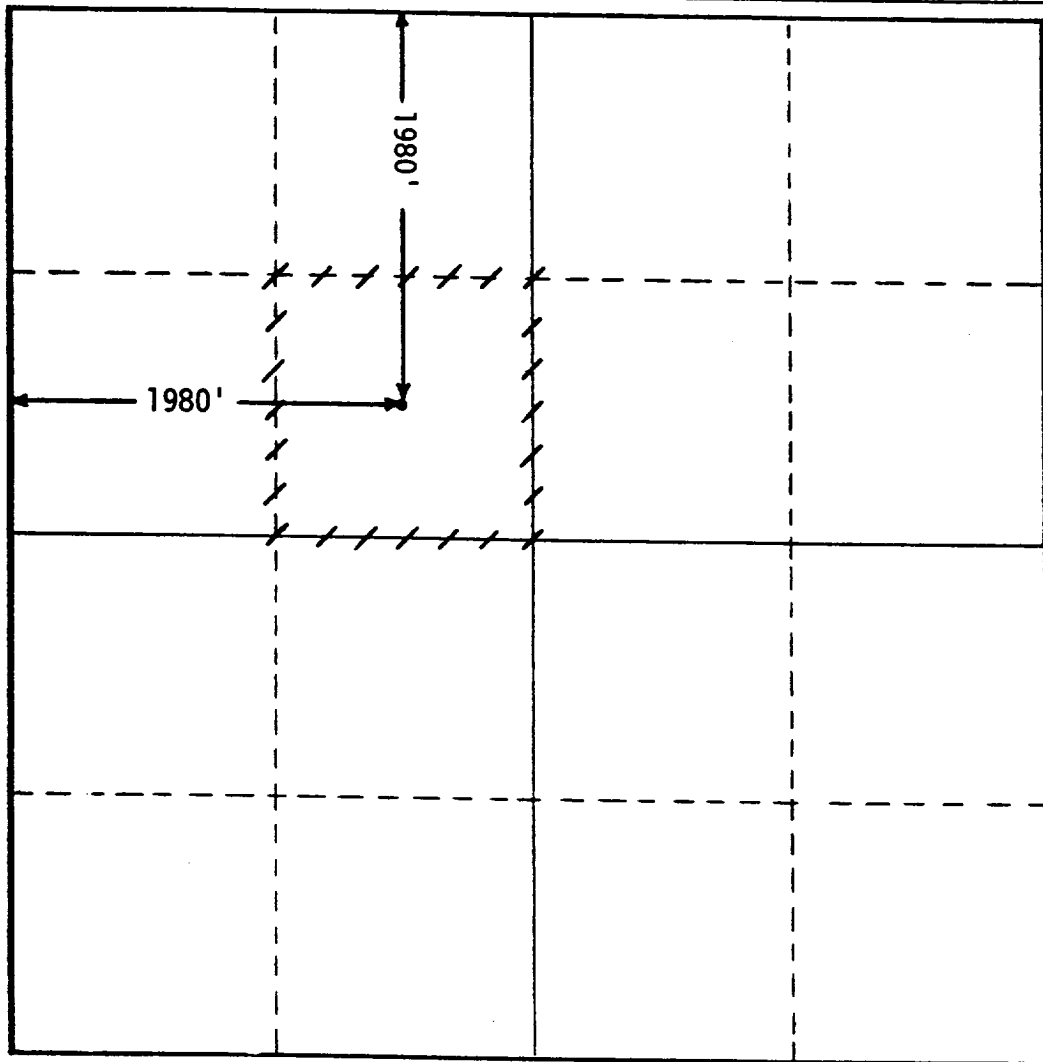
Operator ARCO Oil and Gas Company			Lease Lea 396 State			Well No. 2
Unit Letter F	Section 35	Township 15S	Range 36E	County Lea		
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the West line						
Ground Level Elev: 3856	Producing Formation Permo Penn		Pool Dean Permo Penn		Dedicated Acreage: 40 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.

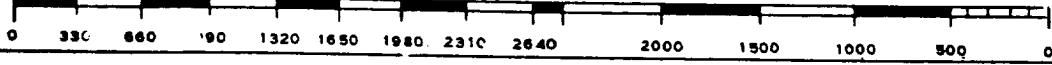
Jack T. Lowder

Name	Jack T. Lowder
Position	Sr. Engineer
Company	ARCO Oil and Gas Company
Date	February 3, 1986

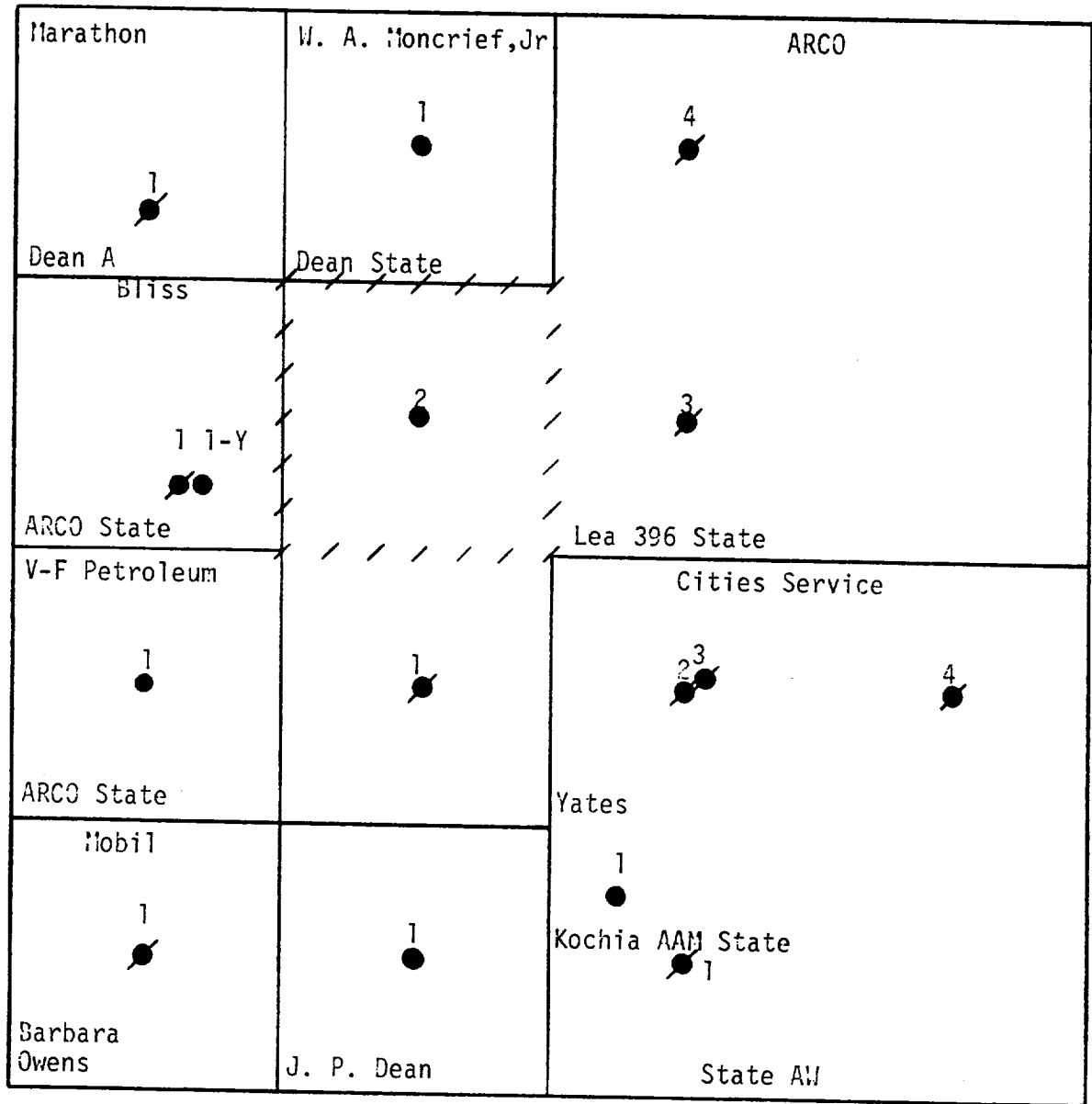
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed	
Registered Professional Engineer and/or Land Surveyor	

Certificate No. _____



Dean Field
 OFFSET OPERATORS
 Section 35, T-15-S, R-36-E
 Lea County, New Mexico



Offset Operators

Bliss Petroleum, Incorporated
P.O. Box 1817
Hobbs, New Mexico 88241

W. A. Moncrief, Jr.
Fort Worth Club Tower
Suite 1200
Fort Worth, Texas 76102

V-F Petroleum, Incorporated
One Marienfeld Place
Suite 580
Midland, Texas 79701

Yates Petroleum Corporation
207 S. 4th
Artesia, New Mexico 88210

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



February 13, 1986

OFFSET OPERATORS
(List Attached)

Gentlemen:

Waiver to Application for 40-acre Non-Standard Unit
Lea 396 State No. 2, Dean Permo-Pennsylvanian Pool
SE/4 NW/4 Section 35, T-15-S, R-36-E
Lea County, New Mexico

ARCO Oil and Gas Company (AOGC) has requested administrative approval from the New Mexico Oil Conservation Division for a 40-acre non-standard proration unit for the subject well. Dean Permo-Pennsylvanian field rules have established 80-acre proration units for Dean Permo-Pennsylvanian producers. Bliss Petroleum has requested NMOCD approval for the formation of a 40-acre non-standard proration unit for the ARCO State No. 1-Y, a Permo-Penn producer. The ARCO State No. 1-Y is located on the western 40-acres of the original 80-acre proration unit occupied by AOGC's Lea 396 State No. 2. This action has necessitated the formation of a 40-acre non-standard proration unit for AOGC's Lea 396 State No. 2.

AOGC requests that you kindly sign the enclosed waivers and mail one to the NMOCD in the attached envelope, and the other back to AOGC. Also enclosed for your information is a copy of the NMOCD application, which includes a copy of the area plat. If you have any questions, please contact me at (915) 684-0157.

Very truly yours,

Jack T. Lowder

Jack T. Lowder
Senior Engineer

JTL:tis
Attachments

Waiver to Objection
Non-Standard Proration Unit Request
Lea 396 State No. 2-ARCO Oil and Gas Company Operator
Dean Permo-Pennsylvanian Pool
SE/4 NW/4 Section 35, T-15-S, R-36-E
Lea County, New Mexico

I/We hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 40-acre non-standard proration unit for AOGC's Lea 396 State No. 2, a Dean Permo-Pennsylvanian producer.

Signed _____

Company _____

Date _____