

ARCO Oil and Gas Company
Western District
Post Office Box 1610
Midland, TX 79702
Telephone (915) 688-5200

OIL CONSERVATION DIVISION
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March 18, 1993

Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Mr. J. T. Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

RE: NSP-526
Application for Unorthodox Eumont Gas Well Location & Simultaneous Dedication
State 157-D #9
S/2 Section 12, T-22S, R-36E, Lea County, NM
Eumont (Yates/Seven Rivers/Queen) Gas Pool

Dear Mr. LeMay / Mr. Sexton:

ARCO Oil and Gas Company respectfully requests administrative approval for an unorthodox Eumont gas well location for the State 157-D #9 well located 660' FSL, 330' FEL, Section 12, T-22S, R-36E in Lea County, New Mexico. The State 157-D #9 is a Drinkard oil well which ARCO is preparing to recomplete uphole to the Eumont pool. At the same time, ARCO requests simultaneous dedication of the Eumont gas production from the State 157-D #4, #7 and #15 with the Eumont gas production from the State 157-D #9 well. The State 157-D #4, #7 and #15 are Eumont gas wells currently dedicated to an existing 320-acre proration unit (NSP-526) comprised of the S/2 Section 12, T-22S, R-36E.

Attached are C-102 forms for the proposed configuration of the subject 320-acre Eumont gas proration unit. Also attached is a list of offset operators for this unit, and a land plat map of the surrounding area.

ARCO Oil and Gas Company believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of Eumont gas reserves from the subject acreage.

ARCO Oil and Gas Company is notifying the offset operators of this application by sending a copy of this application package, along with waiver to objection forms, by certified mail. If you need further information, please call me at (915) 688-5446.

Sincerely,

David K. Newell
Sr. Operations/Analytical Engineer
DKN:lrh
cc: J. Cogburn - (Hobbs)
Attachments

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed, stamped envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

**Application for an
Unorthodox Eumont Gas Well Location
State 157-D #9**

and

Simultaneous Dedication of Eumont Gas Production

State 157-D #4, #7 and #15 (existing)

State 157-D #9 (new)

Eumont Gas Pool

S/2 Section 12, T-22S, R-36E

Lea County, New Mexico

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval of an unorthodox well location for the State 157-D #9, and simultaneous dedication of Eumont gas production from the State 157-D #4, #7, #9,#15 to an existing 320-acre proration unit.

Signed: _____
Title: _____
Company: _____
Date: _____

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

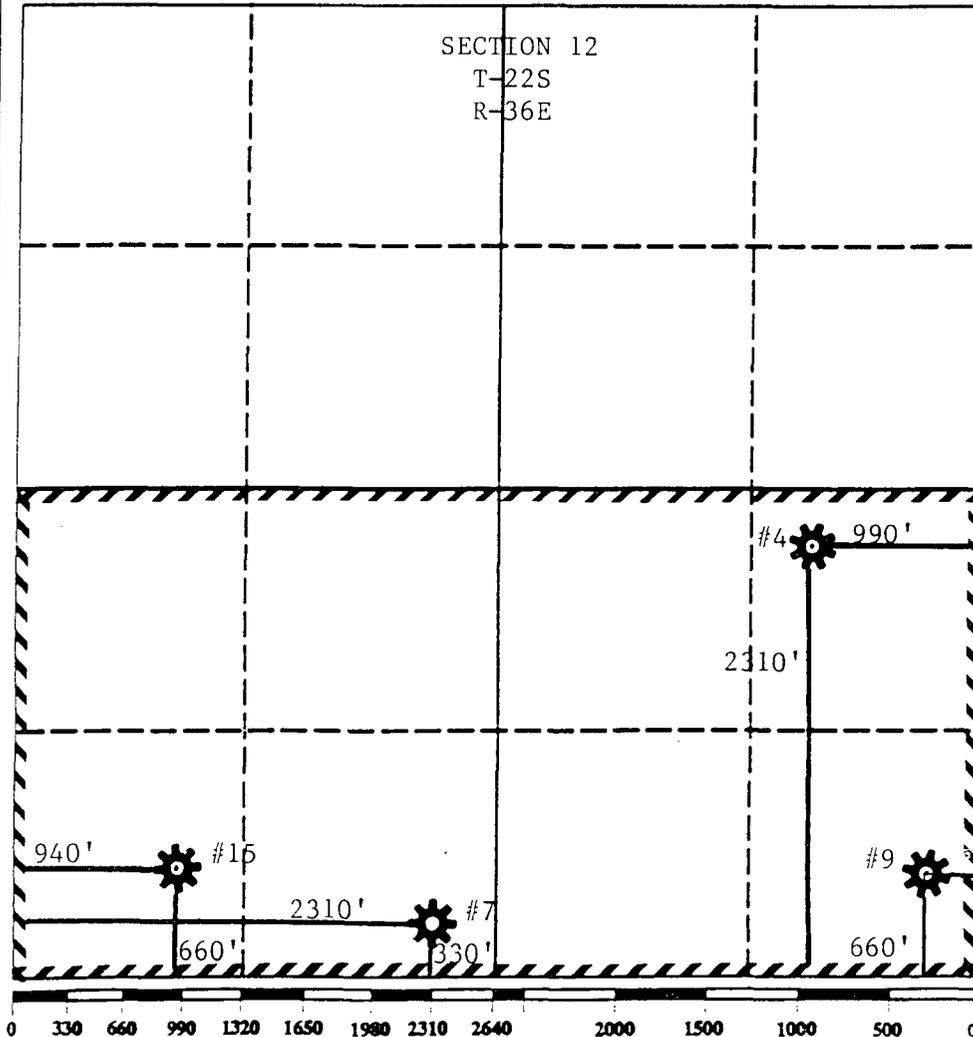
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | | | | |
|---|---------------|---|----------------------|--------------------|--------------------|----------------|----------------------------------|--|
| Operator ARCO OIL AND GAS COMPANY | | | Lease STATE 157-D | | | Well No. #4 | | |
| Unit Letter I | Section 12 | Township T-22S | Range R-36E | County NMPM LEA | | | | |
| Actual Footage Location of Well: 2310 feet from the SOUTH line and 990 feet from the EAST line | | | | | | | | |
| Ground level Elev. 3456' | | Producing Formation YATES/7-RIVERS/QUEEN | | | Pool EUMONT GAS | | Dedicated Acreage:- 320 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Evelyn E. Gilson
 Printed Name
 E. E. GILSON
 Position
 ENGINEERING TECHNICIAN
 Company
 ARCO OIL AND GAS COMPANY
 Date
 MARCH 22, 1993

SURVEYOR CERTIFICATION

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 _____
 Signature & Seal of Professional Surveyor _____
 Certificate No. _____

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 Energy, Minerals and Natural Resources Department

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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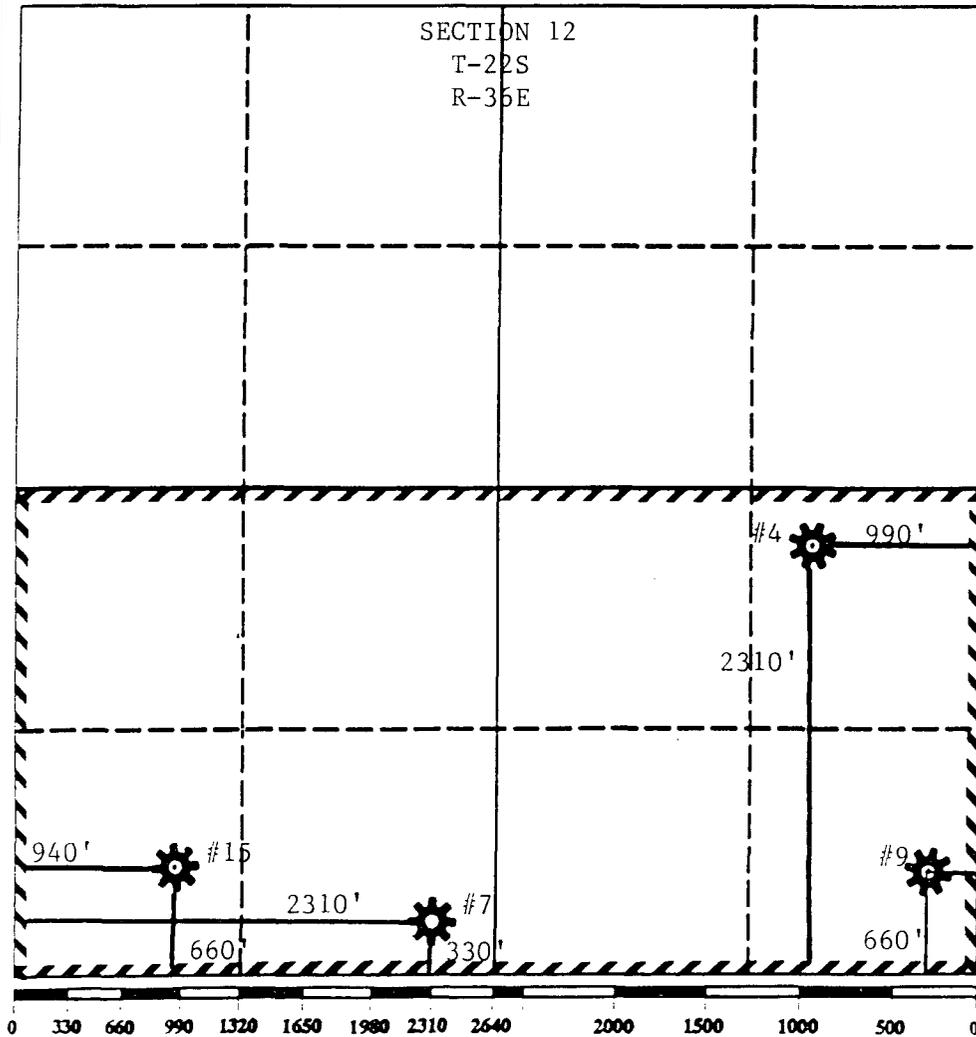
| | | | | | |
|---|---|----------------------|--------------------|---------------------------------|--|
| Operator ARCO OIL AND GAS COMPANY | | Lease STATE 157-D | | Well No. 7 | |
| Unit Letter N | Section 12 | Township T-22S | Range R-36E | County NMPM LEA | |
| Actual Footage Location of Well: 330 feet from the SOUTH line and 2310 feet from the WEST line | | | | | |
| Ground level Elev. 3491' | Producing Formation YATES/7-RIVERS/QUEEN | | Pool EUMONT GAS | Dedicated Acreage: 320 Acres | |

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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
E. E. Gilson
 Printed Name
 E. E. GILSON
 Position
 ENGINEERING TECHNICIAN
 Company
 ARCO OIL AND GAS COMPANY
 Date
 MARCH 22, 1993

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Santa Fe, New Mexico 87504-2088

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DISTRICT III
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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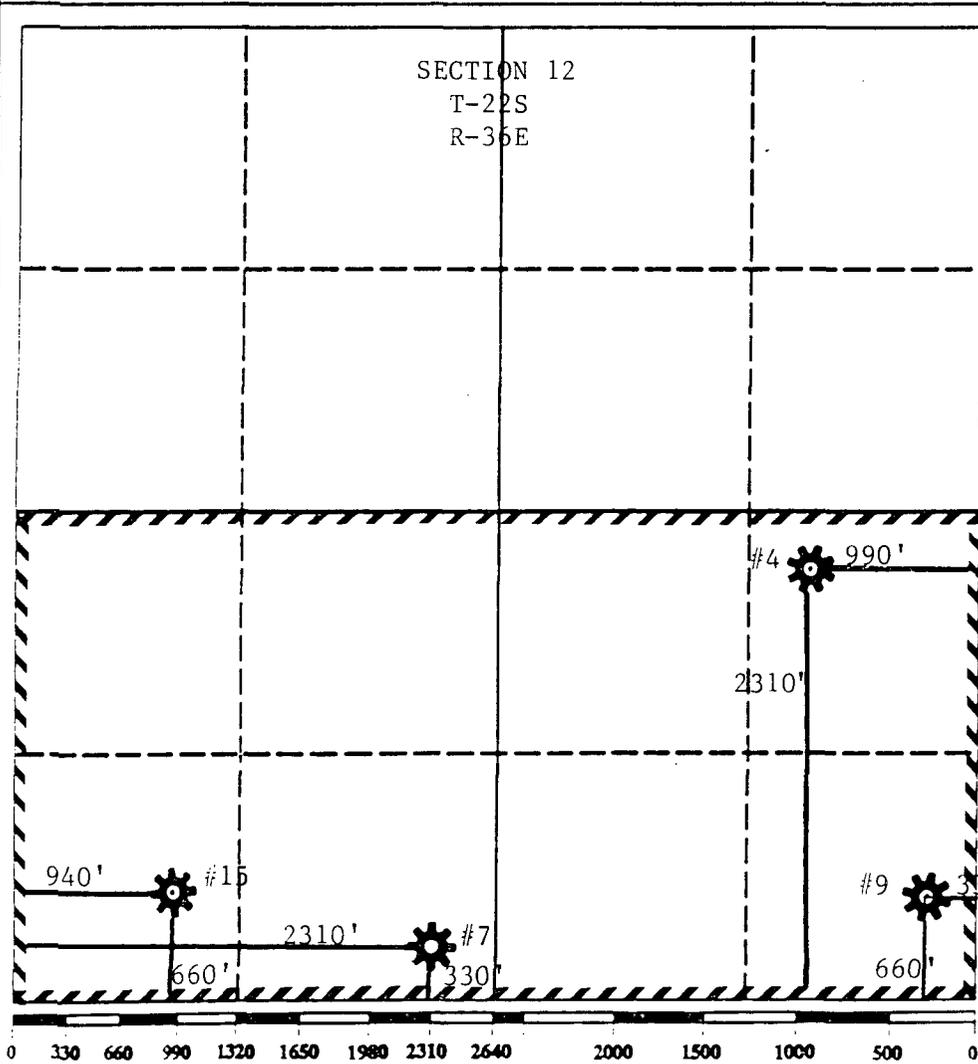
| | | | | |
|--|---|----------------------|---------------------------------|--------------------|
| Operator ARCO OIL AND GAS COMPANY | | Lease STATE 157-D | | Well No. #15 |
| Unit Letter M | Section 12 | Township T-22S | Range R-36E | County NMPM LEA |
| Actual Footage Location of Well: 660 feet from the SOUTH line and 940 feet from the WEST line | | | | |
| Ground level Elev. 3497' | Producing Formation YATES/QUEEN/7-RIVERS | Pool EUMONT GAS | Dedicated Acreage: 320 Acres | |

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- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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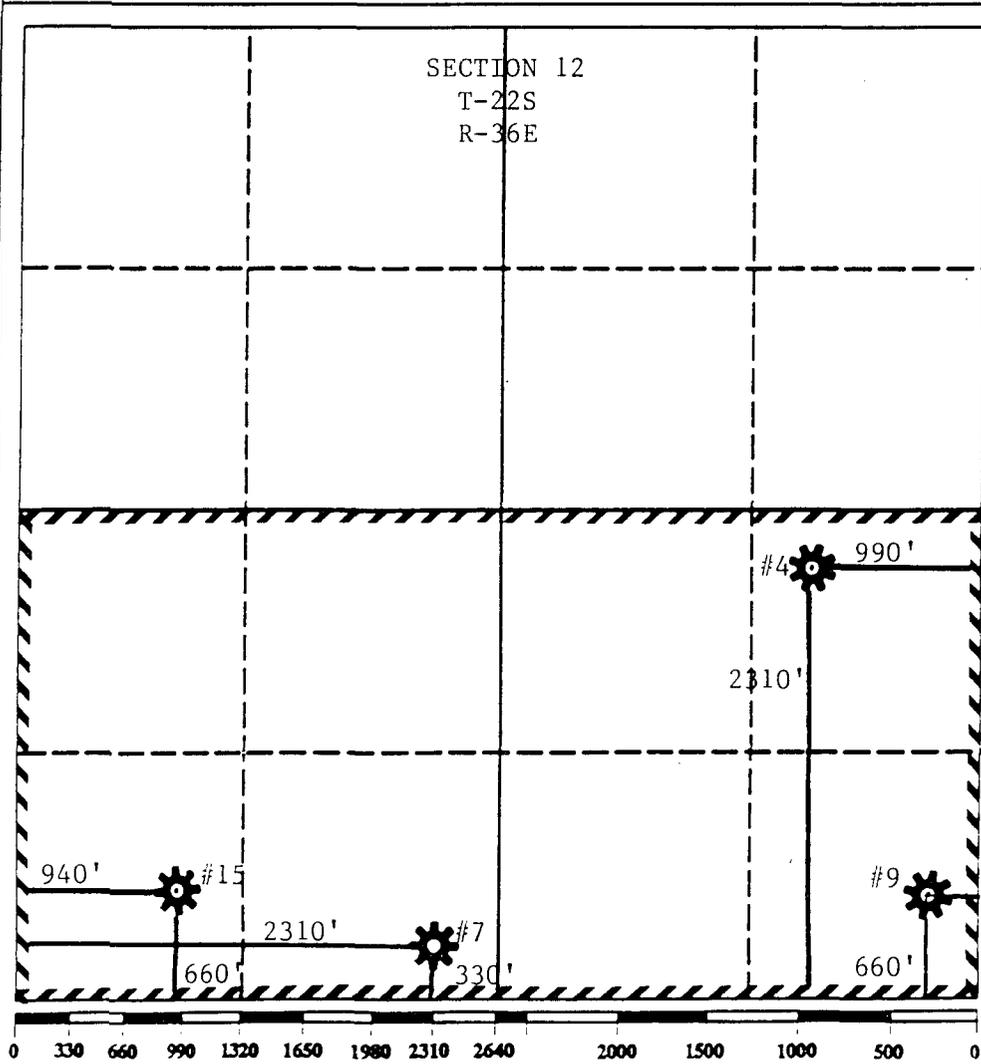
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

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| | | | | | |
|--|---|----------------------|--------------------|---------------------------------|--|
| Operator ARCO OIL AND GAS COMPANY | | Lease STATE 157-D | | Well No. #9 | |
| Unit Letter P | Section 12 | Township T-22S | Range R-36E | County NMPM LEA | |
| Actual Footage Location of Well: 660 feet from the SOUTH line and 330 feet from the EAST line | | | | | |
| Ground level Elev. 3442 | Producing Formation YATES/7-RIVERS/QUEEN | | Pool EUMONT GAS | Dedicated Acreage: 320 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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 Certificate No.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

RECEIVED

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

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4-1-93

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL X SD
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Arco Oil & Gas Co. State 157-D #9-P 12-22-36
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed