

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0149

Jerry L. Tweed
District Engineer

April 2, 1982

Mr. Joe D. Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

RE: Application for Non-standard Proration Units
McDonald State Lease - Jalmat Gas Pool
NW/4 & NE/4 Section 25, T22S, R36E
Lea County, New Mexico

ARCO Oil and Gas Company respectfully requests administrative approval to dissolve the existing 640 acre non-standard Jalmat Gas Proration Unit consisting of the S/2 of Section 24 and the N/2 of Section 25 in T22S, R35E, Lea County.

The existing unit, established under Division Order No. R-4973, is currently assigned to the McDonald State Nos. 12 and 24 located, respectively, in Unit M of Section 24 and Unit E of Section 25, T22S, R36E, Lea County. Since the authorization to simultaneously dedicate the Nos. 12 and 24 to the 640 acre unit in April, 1975, the No. 12 has been plugged and abandoned in 1977, leaving the McDonald State No. 24 as the only Jalmat gas producer located within the existing unit. The McDonald State No. 10, located in Unit F of Section 25, T22S, R36E, never commercially produced which resulted in having to plug and abandon the well in 1975.

Since its dedication in 1975, the McDonald State No. 24 has been classified as a marginal producer. In May, 1981, a workover to add perforations and frac the well was performed to increase the gas production. As a result, the daily production has increased from 4 MCFGPD before the workover to a current average of 150 MCFD. Since the No. 24 is still classified as marginal after the workover, a reassignment of acreage is necessary to allow for future development of the remaining Jalmat gas reserves on the affected acreage.

ARCO Oil and Gas Company, therefore, respectfully requests administrative approval to form two separate 160 acre non-standard proration units consisting of the NW/4 and the NE/4 of Section 25, T22S, R36E. ARCO Oil and Gas Company also requests administrative approval to dedicate the McDonald State No. 24 to the newly formed 160 acre non-standard proration unit comprising the NW/4 of Section 25, T22S, R36E. The NE/4 of said Section 25 is to be dedicated to a proposed new well, the McDonald State No. 29, located in Unit letter B of Section 25, T22S, R36E.



*NS P/301
Two 160-Acre Tracts
Rule 5(c) (3) R1620
5-8-82
ADD Vh. & Order R-4973
is hereby placed in abeyance*

APR 08 1982

*Rec'd
5-10-82*

Mr. Joe D. Ramey
April 2, 1982
Page 2

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

Attached are a well location and acreage dedication plat (Form C-102), a map showing offset producers, and a list of offset operators who have been furnished a copy of this application by registered mail. In addition, we have attached the last twelve months production for the McDonald State No. 24 and the allowable for a non-standard 160-acre unit in the Jalmat Gas Pool.

Very truly yours,

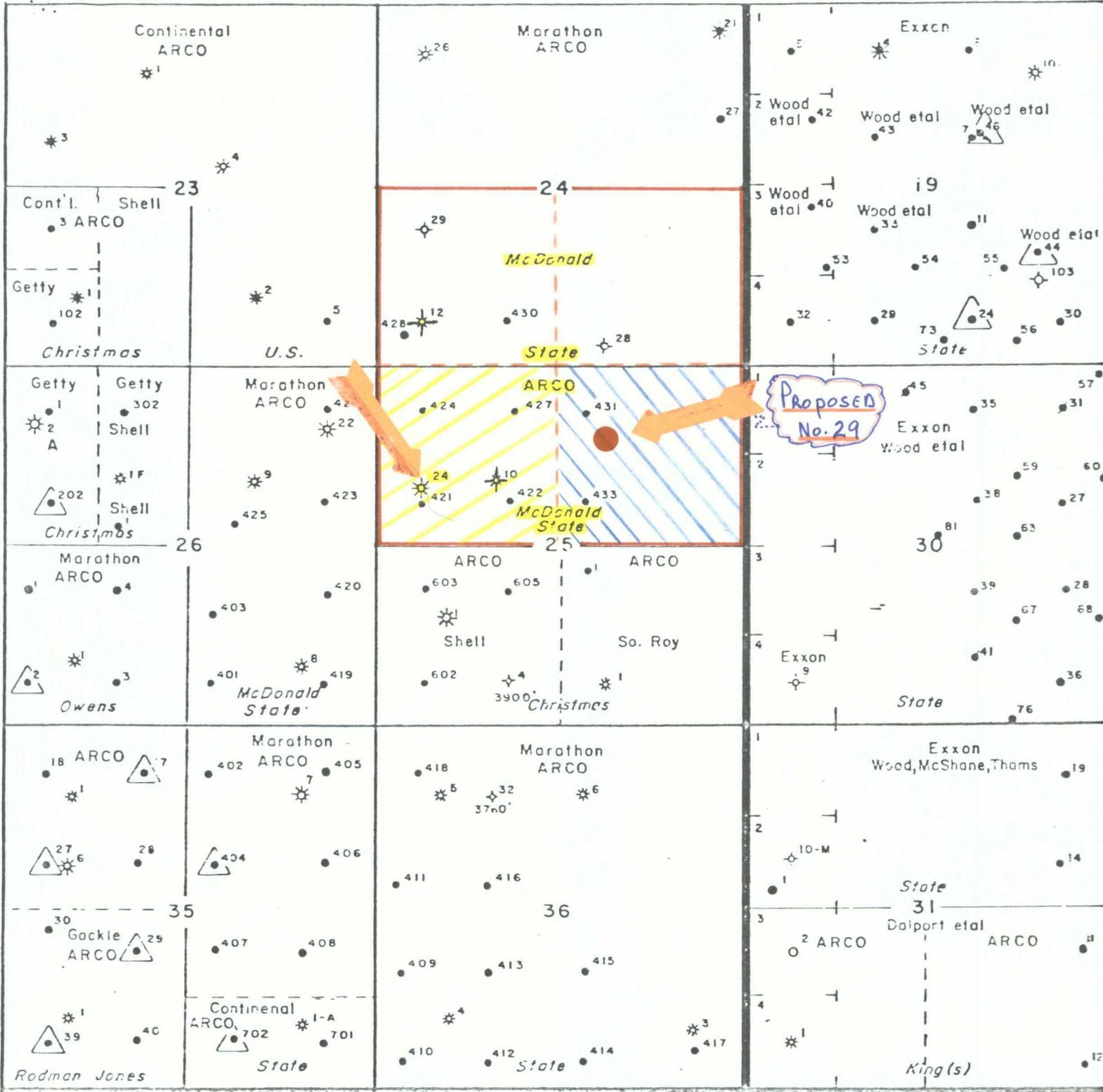


J. L. Tweed
District Engineer

MF:JLT:cn

Attachments

cc: NMOCC Dist. Office - Hobbs



ARCO Oil and Gas Company 
Division of American Petroleum Company

Permian District Midland, Texas

LEA COUNTY, NEW MEXICO

SCALE 2000

By M FISSLEL	Drawn By	Date 12 - 81
Date 12 - 81	Revised By	Date

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78
APR 08 1982
Well No. 24

All distances must be from the outer boundaries of the Section

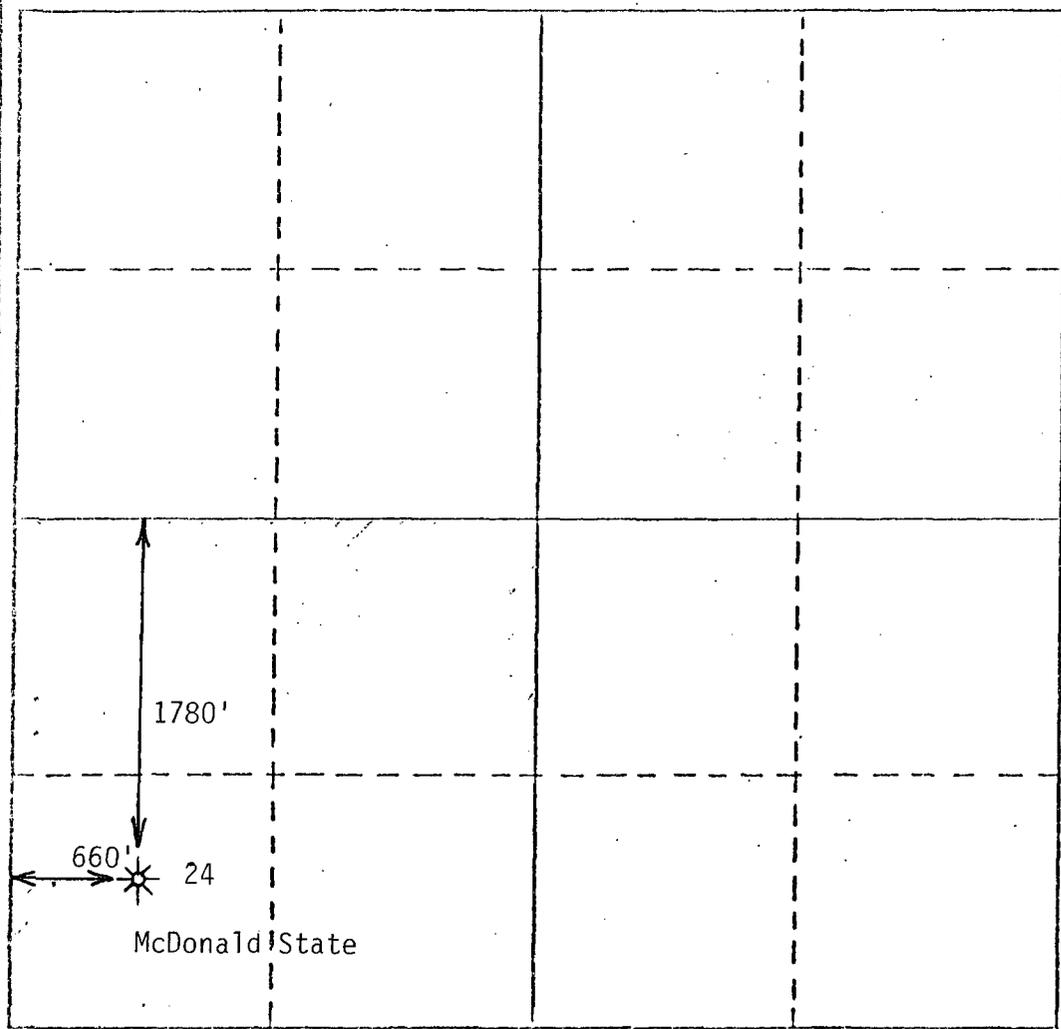
Operator ARCO Oil & Gas Company		Lease McDonald State		County Lea	
Unit Letter E	Section 25	Township 22-S	Range 26-E	OIL CONSERVATION DIVISION SANTA FE	
Actual Postage Location of Well: 1780 feet from the North line and 660 feet from the West line					
Ground Level Elev. 3458	Producing Formation Yates 7 Rivers		Pool Jalpat Gas	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division.



CERTIFICATION

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

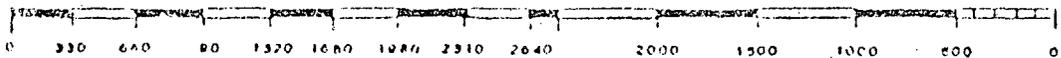
Mark J. Fissell

Name
Mark J. Fissell
Position
Operations Engineer
Company
ARCO Oil & Gas Company
Date
April 2, 1982

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.



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

APR 08 1982

Form C-102
Revised 10-1-78

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

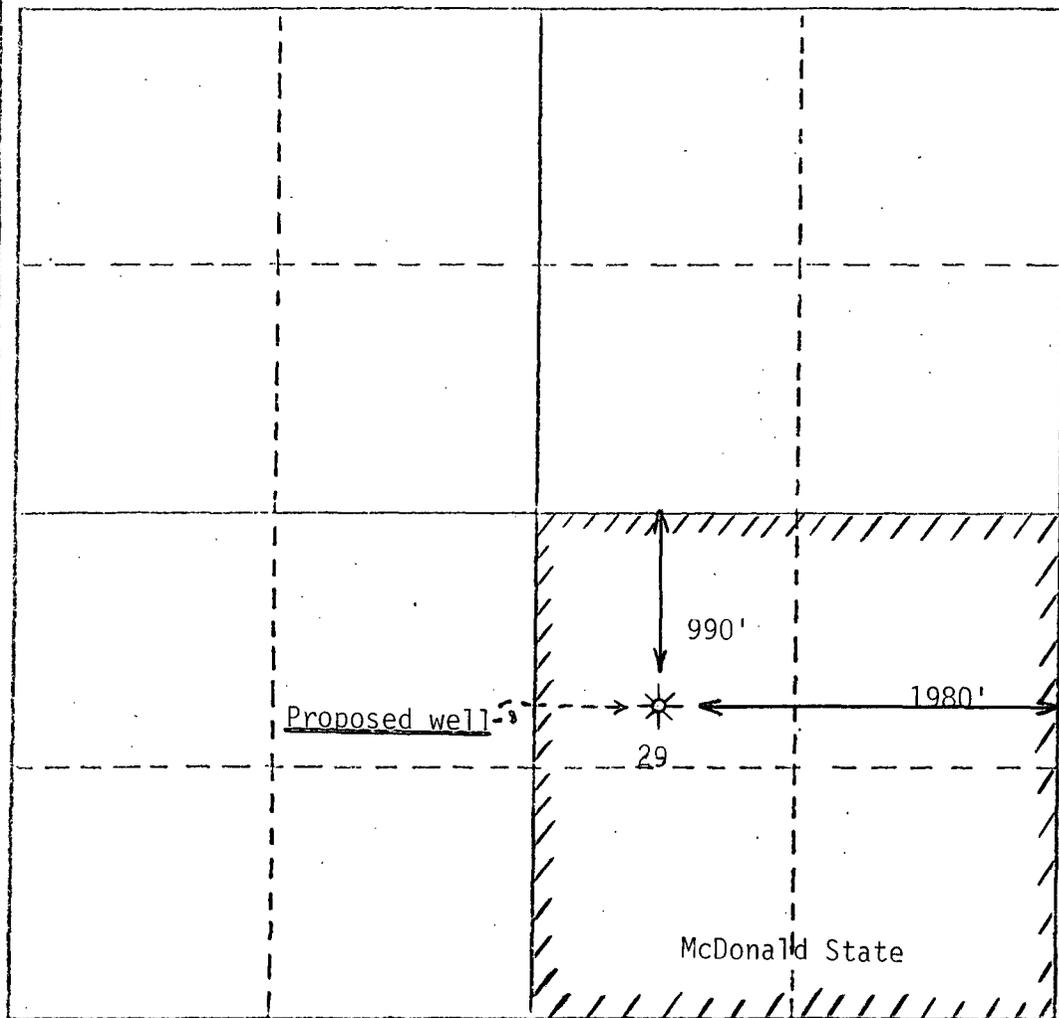
Operator ARCO Oil & Gas Company		Lease McDonald State		Well No. 29	
Unit Letter B	Section 25	Township 22S	Range 36E	County Lea	
Actual Footage Location of Well: 990 feet from the North line and 1980 feet from the East line					
Ground Level Elev. 3440	Producing Formation Yates 7 Rivers		Pool Jalmat Gas		Dedicated Acreage: 160 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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 Division.



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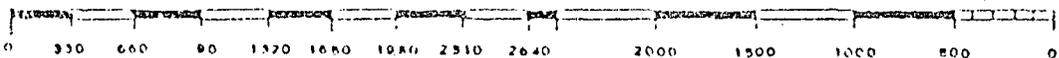
Mark J. Fissell

Name
Mark Fissell
Position
Operations Engineer
Company
ARCO Oil & Gas Co.
Date
April 2, 1982

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.



ARCO McDonald State No. 24

Production History
Last Twelve Months

	<u>Gas Prod. (MCFG)</u>
February, 1981	244
March	232
April	134
May	326
June	902
July	1,712
August	3,413
September	2,737
October	3,358
November	4,341
December	5,047
January, 1982	4,483

Estimated allowable for 160-acre proration unit in Jalmat Gas Pool (February, 1982)

	<u>640 Acre</u>	<u>160 Acre</u>
February Allowable, MCFG	51,640	12,910

Offset Operators

N/2 Section 25, T-22S, R-36E

S/2 Section 24, T-22S, R-36E

Lea County, New Mexico

Continental Oil Company

P. O. Box 460

Hobbs, New Mexico 88240

Dallas McCasland

P. O. Box 206

Eunice, New Mexico 88231

Dalport Oil Corporation

1st National Bank Bldg.

Dallas, Texas 75202

Exxon Oil Corporation

P. O. Box 1600

Midland, Texas 79701

Marathon Oil Company

P. O. Box 552

Midland, Texas 79701

Shell Oil Corporation

P. O. Box 1509

Midland, Texas 79701

Wood, McShane, and Thams

200 Mid-America Bldg.

Midland, Texas 79701