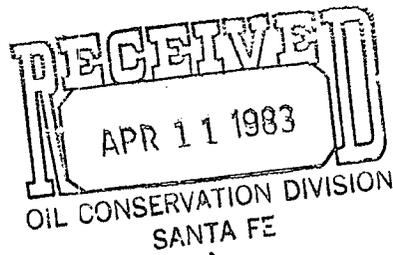


ARCO Oil and Gas Company  
Rocky Mountain District  
717-17th Street  
Mailing address: P.O. Box 5540  
Denver, Colorado 80217  
Telephone 303 575 7000



March 30, 1983

Mr. Joe D. Ramey, Director  
Oil Conservation Division  
State of New Mexico  
Box 2088  
Santa Fe, New Mexico 87501

RE: Application for Administrative Approval  
For a Non-Standard Gas Proration Unit  
Chacon Hill Well #1 (Dakota)  
790' FSL & 1850' FEL (Unit 0)  
SE/4 of Section 20-T24N-R3W  
Rio Arriba County, New Mexico

*NSP 136#  
Rule 4(b) R5353  
Chacon-Dakota Associated Pool  
5-11-83  
5-25-83  
Revised date based on  
late notice to offset  
per phone call  
from Roy Still  
w/ ARCO*

*SE/4*

Dear Mr. Ramey:

In response to Mr. Frank Chavez's letter of March 2, 1983, the subject application is hereby made to the Oil Conservation Division of the State of New Mexico requesting Administrative Approval for a non-standard Gas Proration Unit on the subject well.

This well was drilled and completed as an oil well on a ~~160~~ acreage dedication. The well has since been reclassified as a gas well due to a high gas/oil ratio.

Enclosed is a copy of the form of certified letter sent to the offset operator requesting their approval of the non-standard well location. A fully executed copy from each offset operator will be forwarded to your office when received. Also enclosed is a copy of the New Mexico Form C-102, as well as a location plat and listing showing the offset operators.

Your early approval of this application will be appreciated.

Very truly yours,

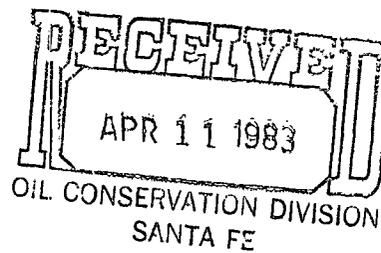
  
W. A. Walther, Jr.  
Operations Manager

WAW/BRS:dc

Enclosure

cc: Mr. Frank T. Chavez, New Mexico Oil Cons. Div., Aztec, New Mexico  
Bureau of Land Management, Farmington, New Mexico

ARCO Oil and Gas Company  
Rocky Mountain District  
717-17th Street  
Mailing address: P.O. Box 5540  
Denver, Colorado 80217  
Telephone 303 575 7000



March 29, 1983

TO: Offset Operators (See Attached Listing)

Certified Mail  
Return Receipt Requested

RE: Chacon Hill Well No. 1 (Dakota)  
790' FSL & 1850' FEL  
Section 20-T24N-R3W  
Rio Arriba County, New Mexico

Dear Offset Operator:

ARCO Oil and Gas Company, Division of Atlantic Richfield Company, requests your consent and approval of a non-standard acreage dedication of 160 acres for the subject well.

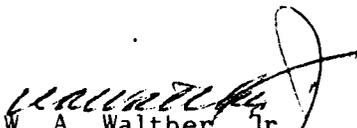
Pursuant to Rule 104-D of the Oil Conservation Commission of the State of New Mexico, it is necessary to notify all offset operators when an application has been filed for a non-standard acreage dedication.

The subject well was drilled and completed as an oil well on a 160 acreage dedication. The well has since been reclassified as a gas well due to a high gas/oil ratio. The standard gas well acreage dedication is 320 acres.

I would appreciate it if you would sign and date the Consent and Approval Form contained in this letter, and return one executed and dated copy of the letter to me in the enclosed self-addressed stamped envelope and keep the other copy for your records. Due to time limitations, we would also appreciate your calling Mr. Joe D. Ramey, Director, New Mexico Oil Conservation Division, Area Code 505, 827-2434, advising him of your concurrence of this non-standard acreage dedication.

If you have any objections or questions concerning this request, please call me at your earliest convenience.

Very truly yours,

  
W. A. Walther, Jr.  
District Operations Manager

WAW/dc

Enclosure

CONSENT AND APPROVAL

Chacon Hill #1

\_\_\_\_\_ by its authorized signatory below, hereby consents to and approves of the non-standard acreage dedication of 160 acres for the foregoing gas well at the location indicated.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1983

By: \_\_\_\_\_

Title: \_\_\_\_\_

OFFSET OPERATORS

CHACON HILL #1  
20-24N-3W  
Rio Arriba County, New Mexico

---

Mobil Oil Company

Odessa Natural Gas Corporation

El Paso Natural Gas Company

*Mountain States*

All distances must be from the outer boundaries of the Survey

RECEIVED

Well No.

APR 11 1983

THE ATLANTIC RICHFIELD COMPANY

Lease  
CHACON HILL

Well Letter

Section

Township

Range

County

0

20

24 NORTH

3 WEST

RIOCONE DIVISION

Actual Footage Location of Well:

790

feet from the

SOUTH

line and

1850

feet from the

EAST

line

Ground Level Elev.

Producing Formation

Pool

Chacon Dakota

Dedicated Acreage:

941

Dakota

~~West Lindrith Gallup Dakota~~

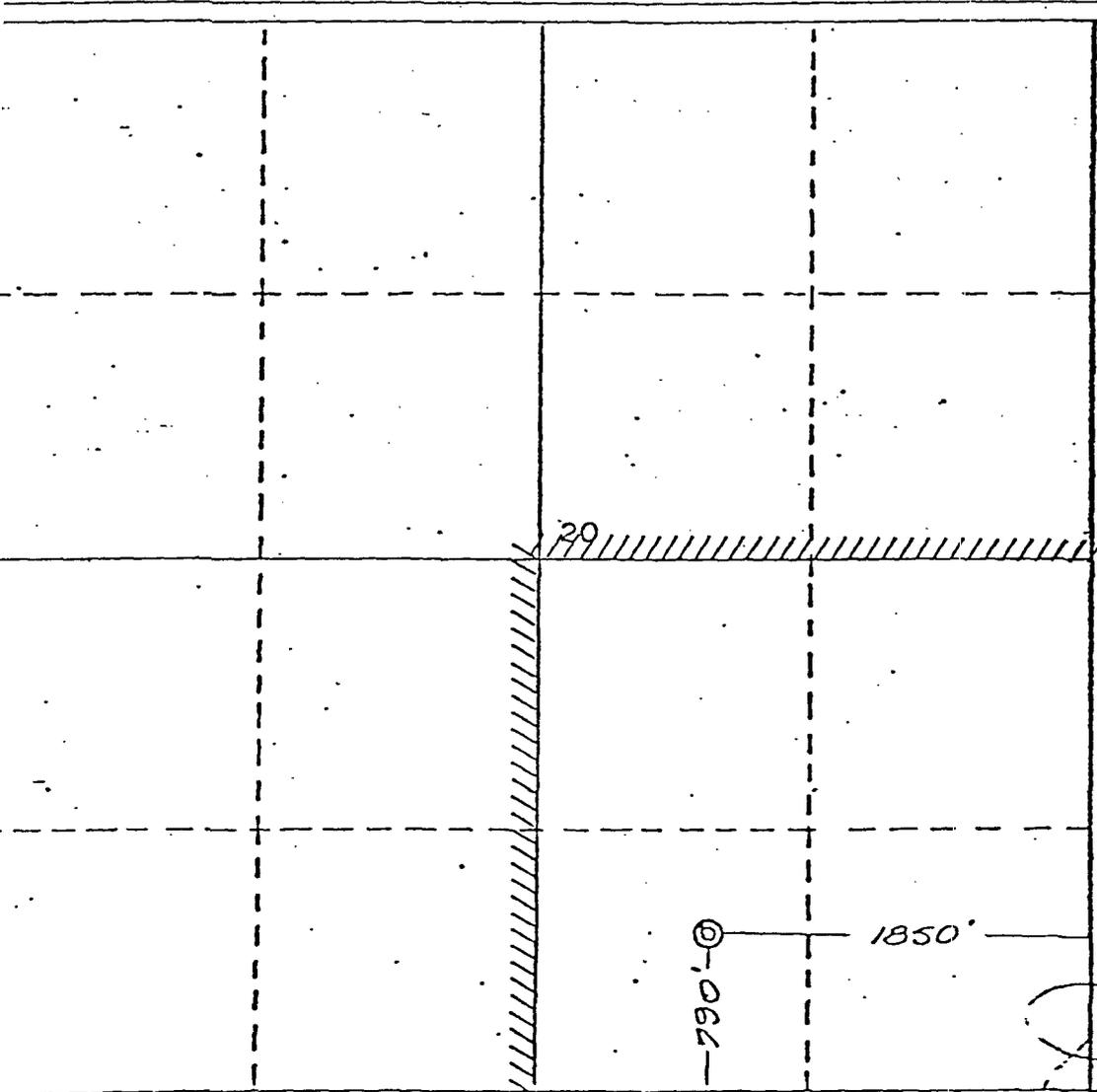
160 Acre

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). N/A
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? N/A

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.

Name

W. A. Walther, Jr.

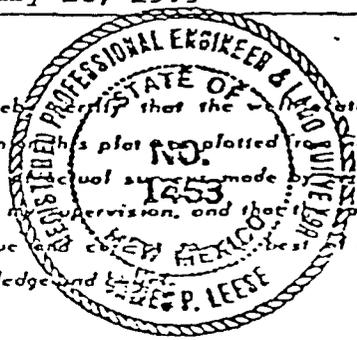
Position

Operations Manager

Company ARCO Oil and Gas Company, Division of

Date Atlantic Richfield Co. February 16, 1979

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



Date Surveyed

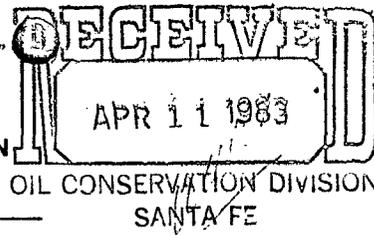
5 February 1979

Registered Professional Engineer and/or Land Surveyor

James P. Leese

Certificate No. 1563

NEW MEXICO  
OIL CONSERVATION COMMISSION



Aztec  
DISTRICT OFFICE

May thru August, 1979  
NO. 3046 N

SUPPLEMENT TO THE OIL PRORATION SCHEDULE

DATE June 7, 1979

PURPOSE AUTHORIZATION OF ALLOWABLE FOR A NEW WELL (N-S)

Effective June 1, 1979, an allowable of 220 BOPD is hereby assigned to the ARCO Oil & Gas Company, Chacon Hill #1, 0-20-24-3, Chacon-Dakota Associated Pool. Total monthly allowables are assigned as follows:

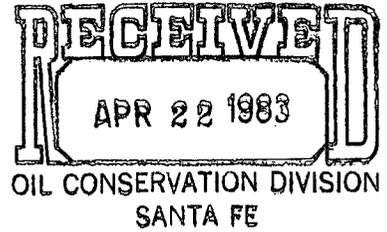
June	6600 bbls.
July	6820 "
August	6820 "

IP 220 BOPD, 160 Acres

OIL CONSERVATION COMMISSION

Deputy Insp. XXXXXXXXXXXXXXXXXXXX

The Permian Corp.  
F-None  
FTC/bk



CONSENT AND APPROVAL

Chacon Hill #1

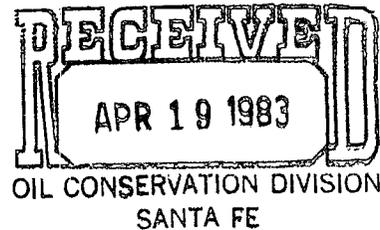
EL PASO EXPLORATION COMPANY by its authorized signatory below, hereby consents to and approves of the non-standard acreage dedication of 160 acres for the foregoing gas well at the location indicated.

Dated this 18th day of April, 1983

By: *David M. Poage*  
David M. Poage

Title: Landman

ARCO Oil and Gas Company  
Rocky Mountain District  
717-17th Street  
Mailing address: P.O. Box 5540  
Denver, Colorado 80217  
Telephone 303 575 7000



April 15, 1983

Mr. Joe D. Ramey, Director  
Oil Conservation Division  
State of New Mexico  
Box 2088  
Santa Fe, New Mexico 87501

RE: Application for Administrative Approval for a  
Non-Standard Gas Proration Unit  
Chacon Hill Well #1 (Dakota)  
790' FSL & 1850' FEL (Unit O)  
SE/4 of Section 20-T24N-R3W  
Rio Arriba County, New Mexico

Dear Mr. Ramey:

Please refer to our letter of March 30, 1983, regarding an Application for Administrative Approval for a Non-Standard Gas Proration Unit for the subject well.

In response to your Mr. Dick Stamets' telephone request of April 12, 1983, attached are three "corrected location plats" showing offset operators for this well.

If additional information is required, please let me know.

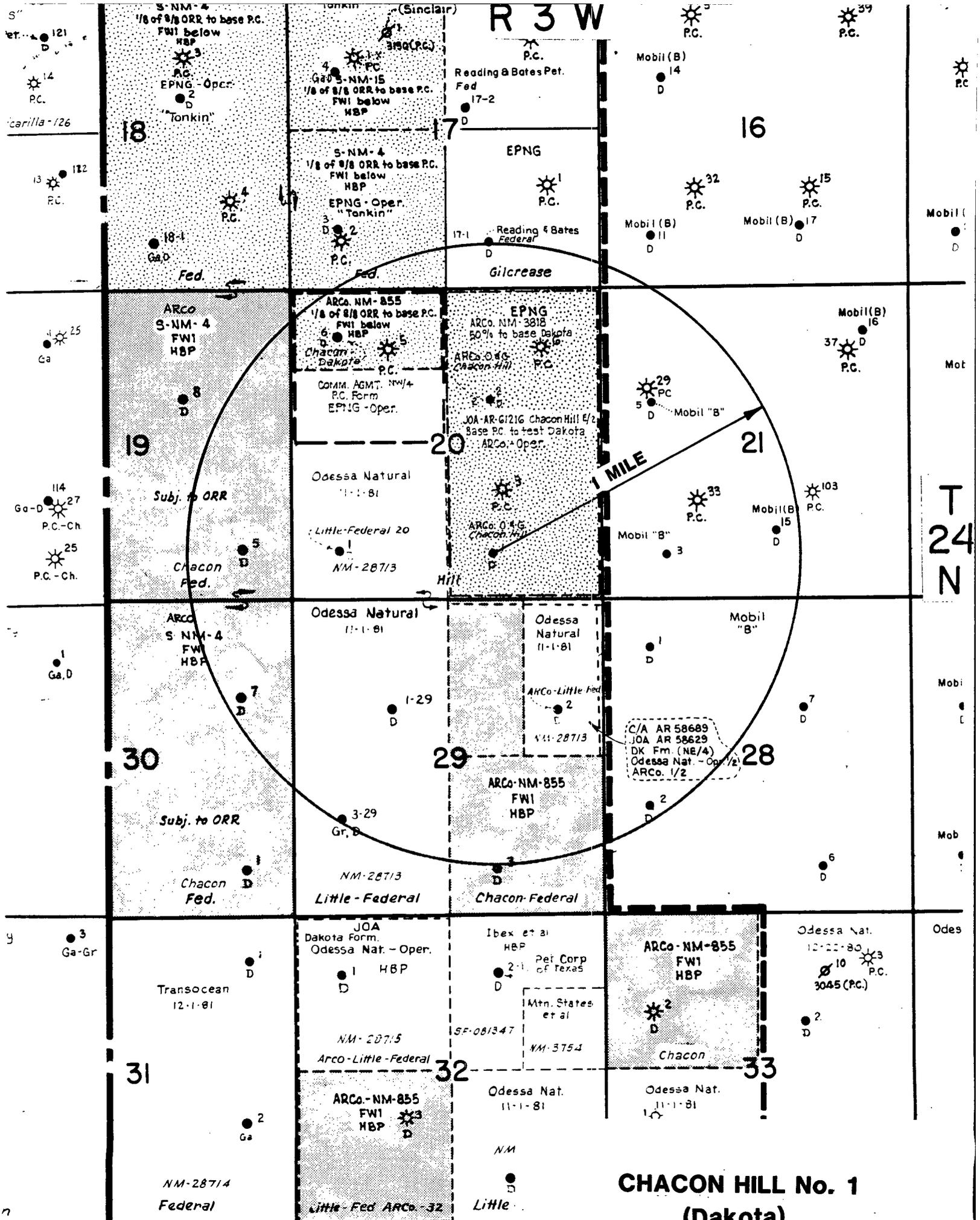
Very truly yours,

*W. A. Walther, Jr.*  
W. A. Walther, Jr.  
Operations Manager

WAW/BRS/rn

cc: Mr. Frank T. Chavez  
New Mexico Oil Conservation District  
Aztec, New Mexico

Bureau of Land Management  
Farmington, New Mexico



R 3 W

T 24 N

**CHACON HILL No. 1  
(Dakota)**

S-NM-4  
1/8 of 8/8 ORR to base P.C.  
FW1 below  
HBP  
AC  
EPNG - Oper.  
"Tonkin"

(Sinclair)  
3150 (P.C.)  
G&D S-NM-15  
1/8 of 8/8 ORR to base P.C.  
FW1 below  
HBP

Reading & Bates Pet.  
Fed  
17-2  
D

Mobil (B)  
14  
D

39  
P.C.

ARCO  
S-NM-4  
FW1  
HBP

ARCO NM-855  
1/8 of 8/8 ORR to base P.C.  
FW1 below  
HBP  
Chacon  
Dakota  
P.C.

EPNG  
ARCO NM-3818  
50% to base Dakota  
Chacon Hill  
P.C.

Mobil (B)  
11  
D

Mobil (B)  
17  
D

Subj. to ORR

COMM. AGMT. NW/4  
P.C. Form  
EPNG - Oper.

JOA-AR-G1216 Chacon Hill E/2  
Base P.C. to test Dakota  
ARCO - Oper.

Mobil "B"  
29  
P.C.

Mobil (B)  
16  
D

ARCO  
S-NM-4  
FW1  
HBP

Odessa Natural  
11-1-81

Odessa Natural  
11-1-81

Mobil "B"  
33  
P.C.

Mobil (B)  
15  
D

Subj. to ORR

Odessa Natural  
11-1-81

ARCO-Little Fed  
11-1-28713

Mobil "B"  
3  
D

Mobil (B)  
15  
D

ARCO  
S-NM-4  
FW1  
HBP

Odessa Natural  
11-1-81

ARCO-NM-855  
FW1  
HBP

Mobil "B"  
1  
D

Mobil (B)  
7  
D

Transocean  
12-1-81

JOA  
Dakota Form.  
Odessa Nat. - Oper.  
HBP  
D

Ibex et al  
HBP  
Pet Corp  
of Texas  
D

ARCO-NM-855  
FW1  
HBP  
Chacon  
D

Odessa Nat.  
12-22-80  
10  
P.C.  
3045 (P.C.)  
D

NM-28714  
Federal

NM-28715  
ARCO-Little-Federal

Odessa Nat.  
11-1-81

Odessa Nat.  
11-1-81

Odessa Nat.  
11-1-81