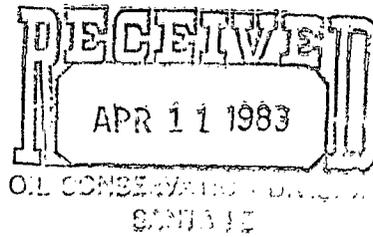


ARCO Oil and Gas Company
Rocky Mountain District
717-17th Street
Mailing address: P.O. Box 5540
Denver, Colorado 80217
Telephone 303 575 7000



March 30, 1983

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

*NSP 1368
Rule 4(b) B5353
Chaco-Dakota Associated Pool
5-11-83*

RE: Application for Administrative Approval
For a Non-Standard Gas Proration Unit
Chacon Federal Well #7 (Dakota)
1650' FNL & 850' FEL (Unit H)
NW/2 of Section 30-T24N-R3W
Rio Arriba County, New Mexico

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 191.83 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 certified letter sent to the offset operator requesting their approval of the non-standard well location. A fully executed copy 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,

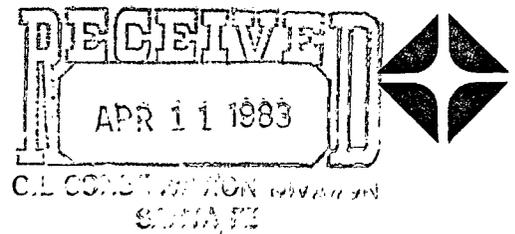

W. A. Walther, Jr.
Operations Manager

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 Federal Well No. 7 (Dakota)
1650' FNL & 850' FEL
Section 30-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 191.83 acres for the subject well.

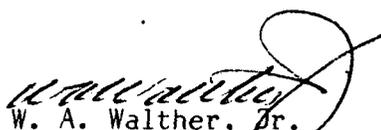
Pursuant to Rule 104-D of the Oil Conservation Commission of the State of New Mexico, it is necessary to notify all offset operators when an application has been filed for a non-standard acreage dedication.

The subject well was drilled and completed as an oil well on a 191.83 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 Federal #7

_____ by its authorized signatory below, hereby consents to and approves of the non-standard acreage dedication of 191.83 acres for the foregoing gas well at the location indicated.

Dated this _____ day of _____, 1983

By: _____

Title: _____

OFFSET OPERATORS

CHACON FEDERAL #2, #3, #5, #6, #7, #8

19-24N-3W

29-24N-3W

30-24N-3W

33-24N-3W

Rio Arriba County, New Mexico

Mobil Oil Company

Odessa Natural Gas Corporation

Southland Royalty

Cotton Petroleum

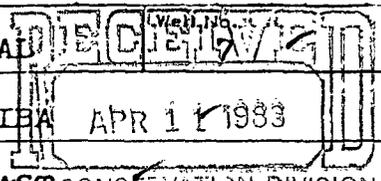
El Paso Natural Gas Corporation

Mountain States Resources, Inc.

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

THE ATLANTIC RICHFIELD COMPANY

CHACON FEDERAL



| | | | | |
|----------|---------|----------|--------|------------|
| Well No. | Section | Township | Range | County |
| H | 30 | 24 NORTH | 3 WEST | RIO ARriba |

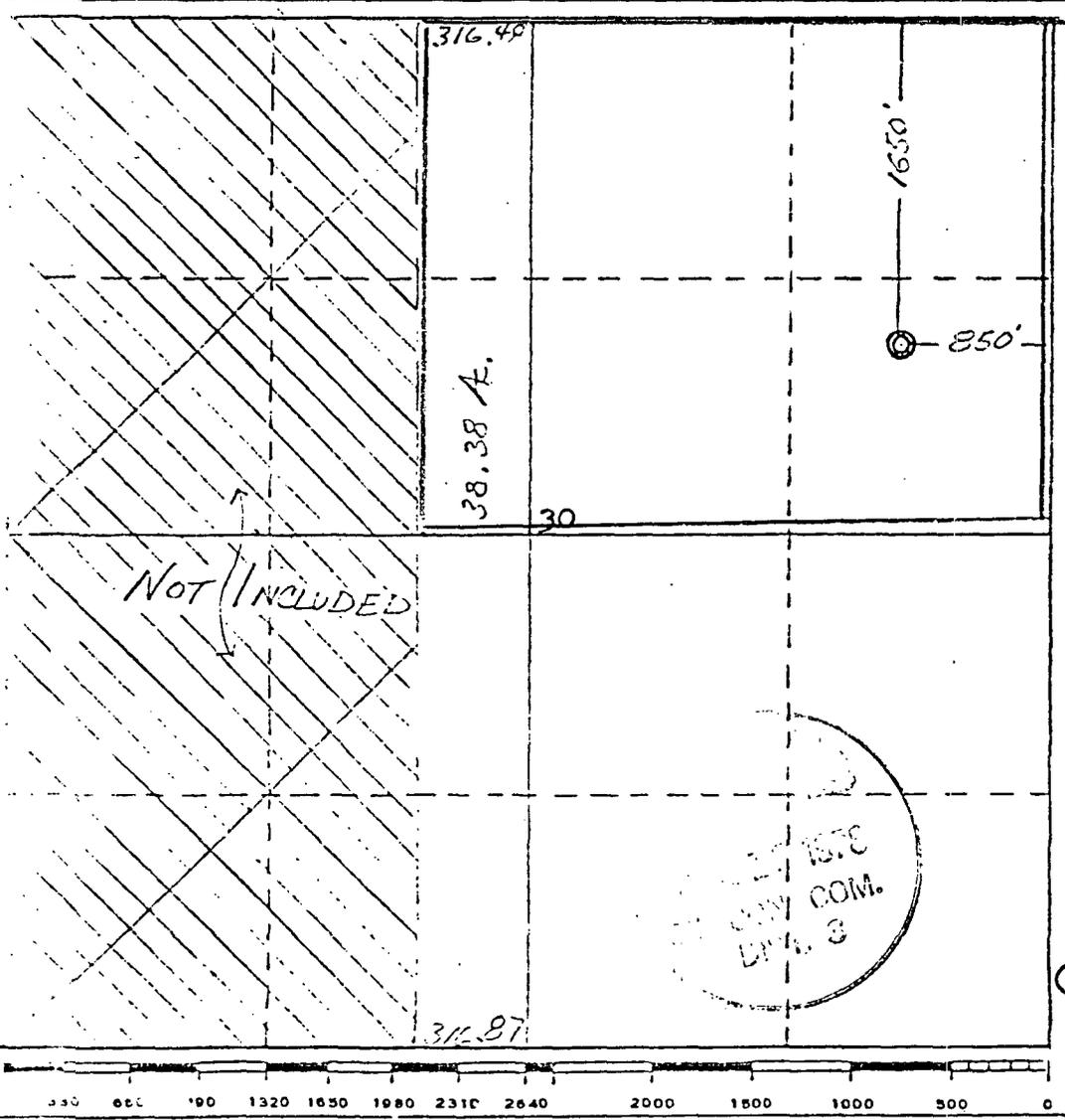
Actual Footage Location of Well: 1650 feet from the NORTH line and 850 feet from the EAST CONSERVATION DIVISION line

| | | | |
|--------------------|---------------------|---------------|-----------------------|
| Ground Level Elev: | Producing Formation | Pool | Dedicated Acreage: |
| 7098 | Dakota | Chacon Dakota | (N/2) 191.82160 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). Atlantic Richfield Company is owner of Section 30
 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.

W. A. Walther, Jr.

Name
W. A. Walther, Jr.

Position
Operations Manager

Company
Atlantic Richfield Company

Date
July 14, 1978

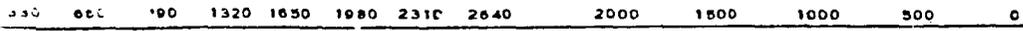
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
30 June 1978

Registered Professional Engineer and/or Land Surveyor
James P. Lease

James P. Lease

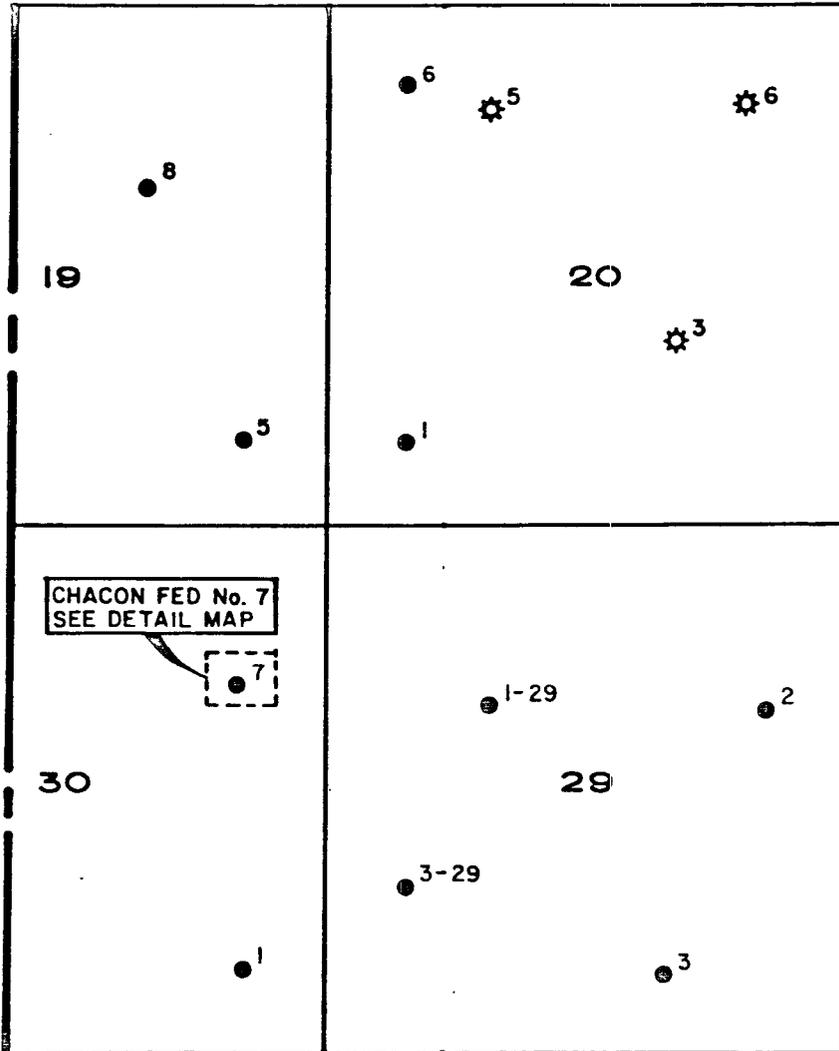
Certificate No. 1463



R 3 W

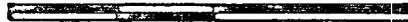
T
24
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T
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R 3 W

2000 1000 0 2000

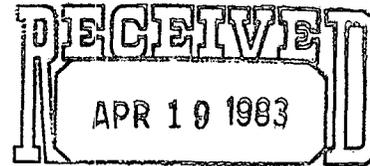


SCALE - FEET



Atlantic Richfield Company
 CHACON FED No. 7
 RIO ARRIBA COUNTY, NEW MEXICO
 SHEET 1 OF 4

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



OIL CONSERVATION DIVISION
SANTA FE

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 Federal Well #7 (Dakota)
1650' FNL & 850' FEL (Unit H)
NW/2 of Section 30-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 4 W

Jicarilla-126

18

"Tonkin"

R 3 W

EPNG

III
26
CH.

13
122
PC.

PC.

S-NM-4
1/8 of 8/8 ORR to base PC.
FWI below
HBP
EPNG - Oper.
"Tonkin"
2
PC.

1
PC.

PC

17-1
Reading & Bates
Federal
D
Gilcrease

Mobil (B)
11
D

Apache

Fed.

Fed.

Gilcrease

129
D

Cotton Pet.
112
Ga, D

4
25
Ga

ARCO
S-NM-4
FWI
HBP

ARCO-NM-855
1/8 of 8/8 ORR to base PC.
FWI below
HBP
Chacon
Dakota
PC.
COMM. AGMT. NW 1/4
PC Form
EPNG - Oper.

EPNG
ARCO-NM-3818
50% to base Dakota
ARCO 046
Chacon Hill
PC

29
PC
5
D
Mobil

24

19

20

28
130
Ga-D
PC.

114
27
Ga-D
P.C.-Ch.
25
P.C.-Ch.

Subj. to ORR

Odessa Natural
11-1-81

3
PC

PC

Apache

Chacon
Fed.

Little-Federal 20
NM-28713

ARCO 046
Chacon Hill

Mobil "B"
3

Southland Royalty

1
Ga, D

ARCO
S-NM-4
FWI
HBP

Odessa Natural
11-1-81

1 MILE

Odessa Natural
11-1-81

T
24
N

25

30

29

(Pure)
10
3102 (PC.)

1
Ga, D

Subj. to ORR

1-29
D

ARCO-Little-Fed
NM-28713

C/A AR 5868
JOA AR 5862
DK Fm. (NE/
Odessa Nat. -
ARCO. 1/2

Medio Canyon

Chacon
Fed.

3-29
Gr, D

ARCO-NM-855
FWI
HBP

2
D

Southland Royalty

3
Ga-Gr

Transocean
12-1-81

JOA
Dakota Form.
Odessa Nat. - Oper.
1
HBP

Ibex et al
HBP
2-1
Pet Corp
of Texas
D

ARCO-NM
FWI
HBP

36

31

32

Medio Canyon

NM-28714
Federal

ARCO-NM-855
FWI
HBP
2
Ga

Odessa Nat.
11-1-81

Odessa N
11-1-81

NM-28715
Arco-Little-Federal

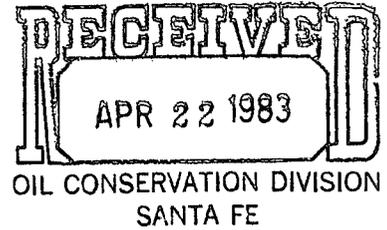
NM-28715

NM-287
Federal

Little-Fed ARCO-32

Little-Federal

CHACON FED. No. 7 (Dakota)



CONSENT AND APPROVAL

Chacon Federal #7

EL PASO EXPLORATION COMPANY by its authorized signatory below, hereby consents to and approves of the non-standard acreage dedication of 191.83 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