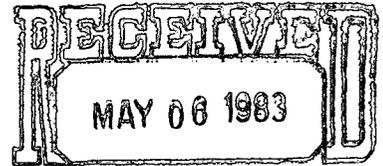


El Paso EXPLORATION
COMPANY

nsp
1372



OIL CONSERVATION DIVISION
FARMINGTON, NEW MEXICO 87401
PHONE: 505-325-2841

April 21, 1983

Petroleum Corporation of Texas
ARCO Oil & Gas Company

Re: Little Federal 32 #2
Unit O, Section 32, T-24-N, R-3-W
Rio Arriba County, New Mexico
Chacon Dakota Associated Pool

Gentlemen:

El Paso Exploration Company has requested administrative approval for a non-standard proration unit in the Chacon Dakota Associated Pool for the subject well.

This well was originally drilled and completed as an oil well with a 160 acre dedication. However, due to a high gas-oil ratio, the well was reclassified as a gas well, which requires a 320 acre dedication. Since a change in dedication would require a communitization agreement, it is more equitable for all parties involved to continue to produce this well on a non-standard proration unit consisting of 160 acres.

In compliance with New Mexico Oil Conservation Division rules, we are notifying you, as operator of an offsetting proration unit, of our application for administrative approval for a non-standard proration unit on this well. Enclosed are three copies of this letter. If there is no objection to this application, please sign and return one copy to the New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501; one copy to El Paso Exploration Company; and keep one copy for your files.

Plats showing the well location and offset ownership are attached.

Yours truly,

G. W. Brink
Project Drilling Engineer

GWB:pb

Damson Oil Corporation hereby waives objection to El Paso Exploration Company's application for the non-standard proration unit for their abovementioned well.

WAIVER

by: A. R. Lemming Jr.
date: May 3, 1983



El Paso EXPLORATION COMPANY

RECEIVED
APR 25 1983

OIL CONSERVATION DIVISION
SANTA FE

P. O. BOX 289
FARMINGTON, NEW MEXICO 87401
PHONE: 505-325-2841

April 20, 1983

*NsP 1372
Rul. 4(b) R5353
5-25-83*

Mr. Joe Ramey
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Little Federal 32 #2
Unit 0, Section 32-24-3
Rio Arriba County, New Mexico
Chacon Dakota Associated Pool

SE/4 160 acres

Dear Mr. Ramey:

This is a request by El Paso Exploration Company for administrative approval for a non-standard proration unit for the subject gas well located in the Chacon Dakota Associated Pool.

Reference is made to the special rules and regulations for the Chacon Dakota Associated Pool which states a standard oil proration unit shall be 160 acres and a standard gas proration unit shall be 320 acres.

The subject well was originally drilled and completed as an oil well. Due to a high gas-oil ratio, the well was reclassified as a gas well. Since a change in acreage dedication would require a communitization agreement between the leases, it is more equitable for all parties involved to continue to produce this well on a non-standard proration unit consisting of 160 acres.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your Santa Fe office with a waiver of objection. Plats showing the well location and offset ownership are attached.

Sincerely yours,

G. W. Brink
Project Drilling Engineer

GWB:pb

cc: Frank Chavez, New Mexico Oil Conservation Division

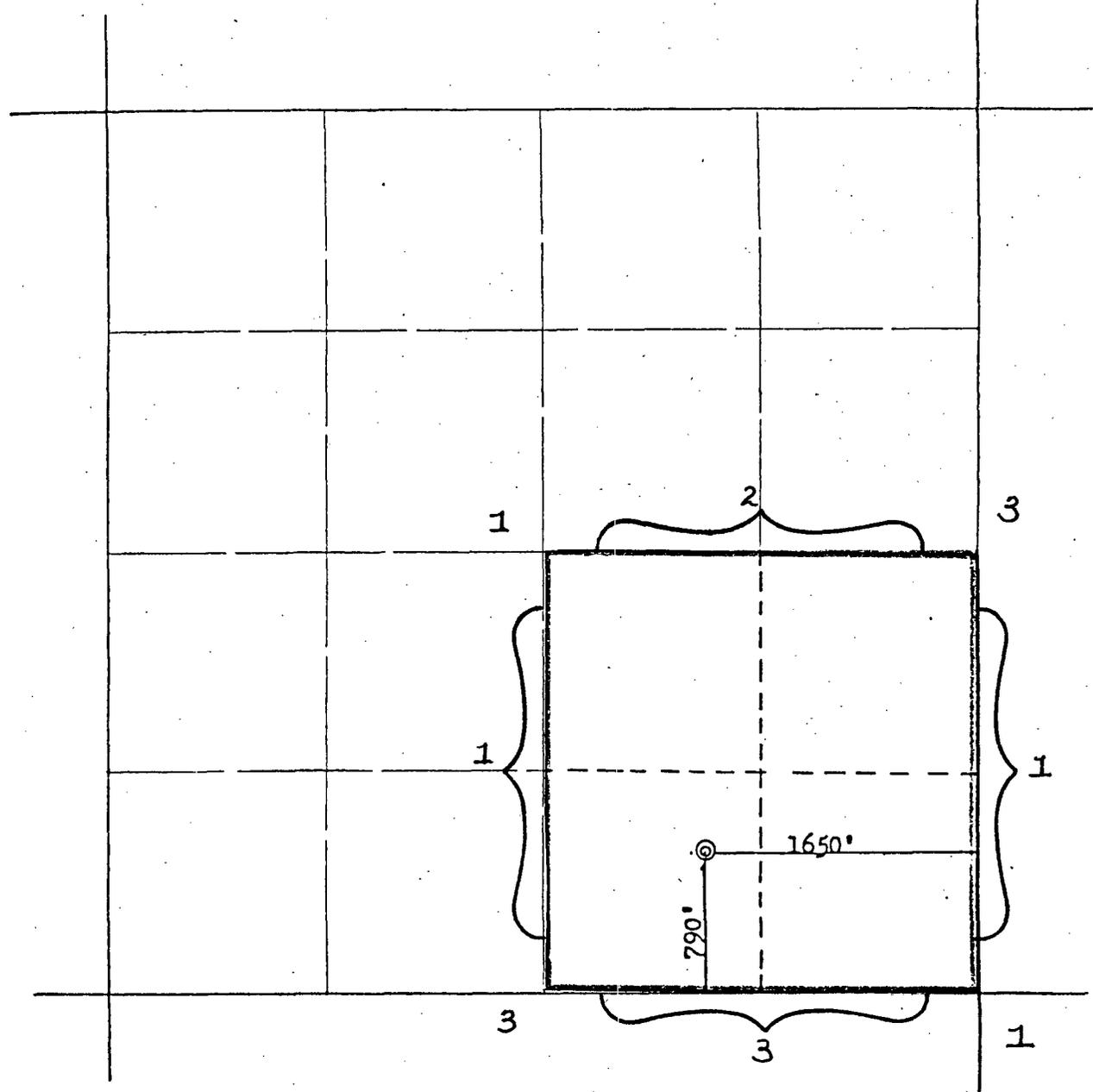
EL PASO EXPLORATION COMPANY

Well Name Little Federal 2-32 Chacon Dakota

Footage----- 790' FSL, 1650' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County Rio Arriba State New Mexico Section 32 Township 24N Range 3W



REMARKS: (1) El Paso Exploration Company
(2) Petroleum Corporation of Texas
(3) Arco Oil & Gas Company

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED
APR 25 1983

Form C-102
Supersedes C-128
Effective 1-1-65

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

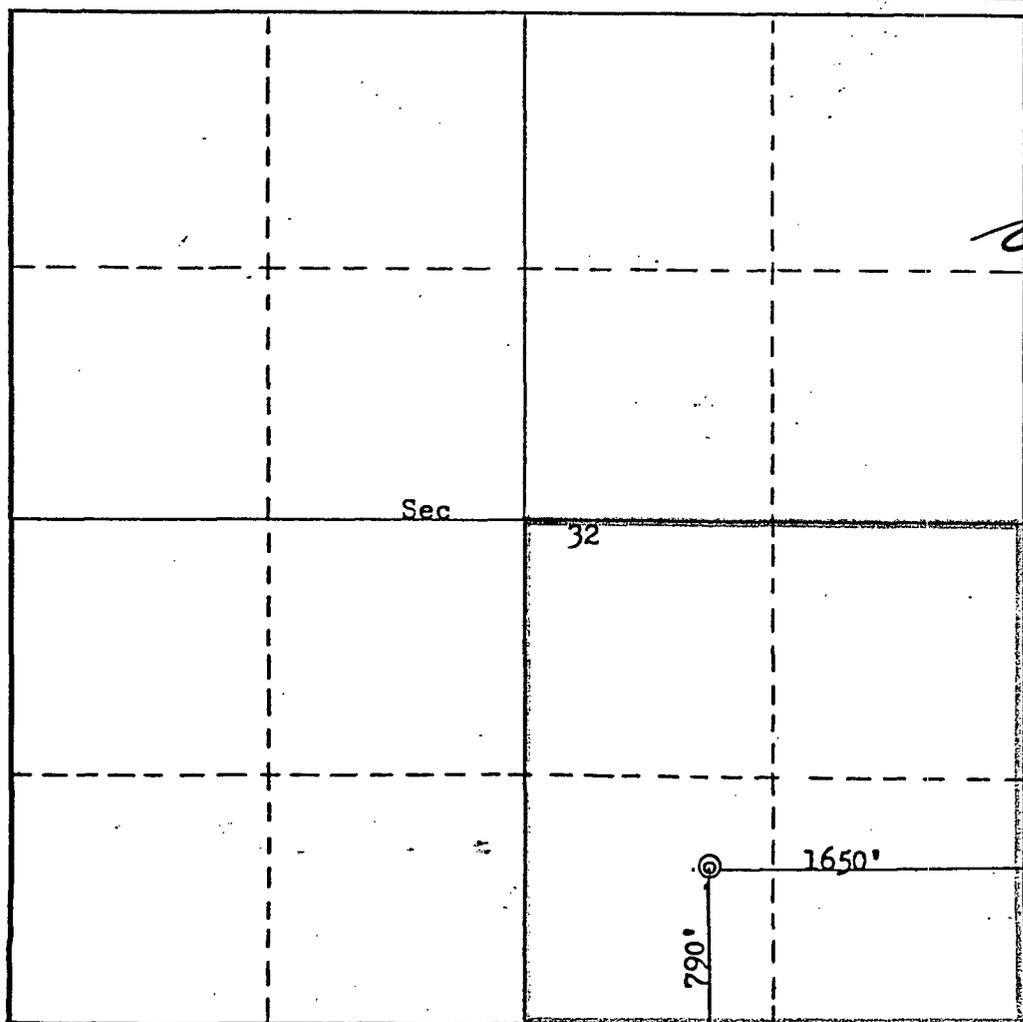
Operator Odessa Natural Corporation			Lease Little-Federal		OIL CONSERVATION DIVISION No. SANTA FE 2-32	
Unit Letter 0	Section 32	Township 24N	Range 3W	County Rio Arriba		
Actual Footage Location of Well: 790' feet from the South line and 1650 feet from the East line						
Ground Level Elev. 7144	Producing Formation Dakota		Pool Chacon Dakota Associated Oil Pool		Dedicated Acreage: 160 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.

Ewell N. Walsh

Name
Ewell N. Walsh, P.E.

Position
President

Company
Walsh Engr. & Prod. Corp.

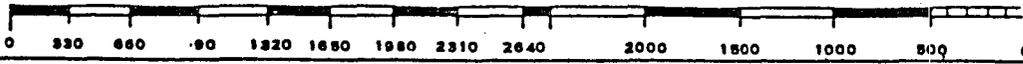
Date
11-7-77

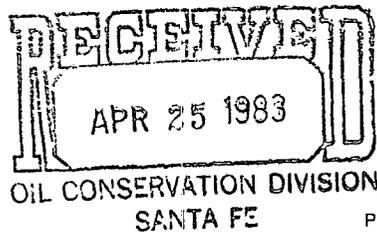
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
October 22, 1977

Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No.
3950





El Paso EXPLORATION COMPANY
ARCO Oil & Gas Company

P. O. BOX 289
FARMINGTON, NEW MEXICO 87401
PHONE: 505-325-2841

April 21, 1983

Petroleum Corporation of Texas
ARCO Oil & Gas Company

Re: Little Federal 32 #2
Unit O, Section 32, T-24-N, R-3-W
Rio Arriba County, New Mexico
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Yours truly,

G. W. Brink
Project Drilling Engineer

GWB:pb

WAIVER

_____ hereby waives objection to El Paso Exploration Company's application for the non-standard proration unit for their abovementioned well.

by: _____
date: _____