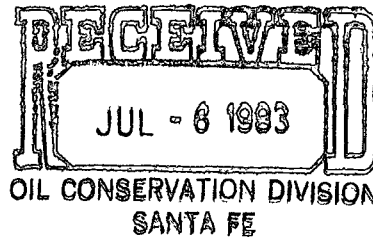


El Paso EXPLORATION
COMPANY



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

June 10, 1983

NSP-
1388

Dave M. Thomas, Jr.
Post Office Box 2026
Farmington, New Mexico 87401

Gentlemen:

El Paso Exploration Company has requested administrative approval for a non-standard proration unit in the Chacon Dakota Associated Pool for its Chacon Jicarilla D #2 well located in the SE/4 of Section 16, T-23-N, R-3-W, Rio Arriba County, New Mexico.

The Chacon Jicarilla D #2 is currently classified as a gas well which would require the 320 acres of the E/2 of Section 16, T-23-N, R-3-W to be dedicated to this well. However, the Chacon Jicarilla D #16 located in the NE/4 of Section 16, T-23-N, R-3-W is classified as an oil well which requires a 160 acre dedication. Since simultaneous dedication of acreage is prohibited, it is impossible to operate the Chacon Jicarilla d #2 on a standard proration unit.

In compliance with New Mexico Oil Conservation Division rules, we are notifying you, as operators of an offsetting proration unit, of our application for administrative approval for a non-standard proration unit on the Chacon Jicarilla D #2 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, Post Office 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.

Sincerely,

G. W. Brink
Project Drilling Engineer

GWB:pb

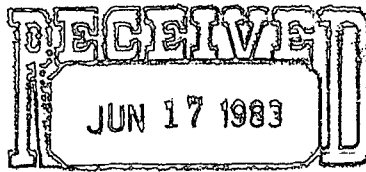
WAIVER

DAVE M. THOMAS JR hereby waives objection to El Paso Exploration Company's application for non-standard proration unit for their Chacon Jicarilla D #2 well proposed above.

By Dave M. Thomas Jr
Date 6-28-83

NSP
Rule 46 35353 1388
7-17-83

El Paso EXPLORATION
COMPANY



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

OIL CONSERVATION DIVISION June 10, 1983
SANTA FE

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

Re: Chacon Jicarilla D #2
Unit I, Section 16, T-23-N, R-3-W
Rio Arriba County, New Mexico
Chacon Dakota Associated Pool

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 Chacon Jicarilla D #2 is currently classified as a gas well which would require the 320 acres of the E/2 of Section 16, T-23-N, R-3-W to be dedicated to this well. However, the Chacon Jicarilla D #16 located in the NE/4 of Section 16, T-23-N, R-3-W is classified as an oil well which requires a 160 acre dedication. Since simultaneous dedication of acreage is prohibited, it is impossible to operate the Chacon Jicarilla D #2 on a standard proration unit.

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,

G. W. Brink

cc: Frank Chavez- NMOCD
Minerals Management Service-BLM

W MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DECLARATION PLAT

Form O-100
Supersedes O-101
Effective 1-1-73

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

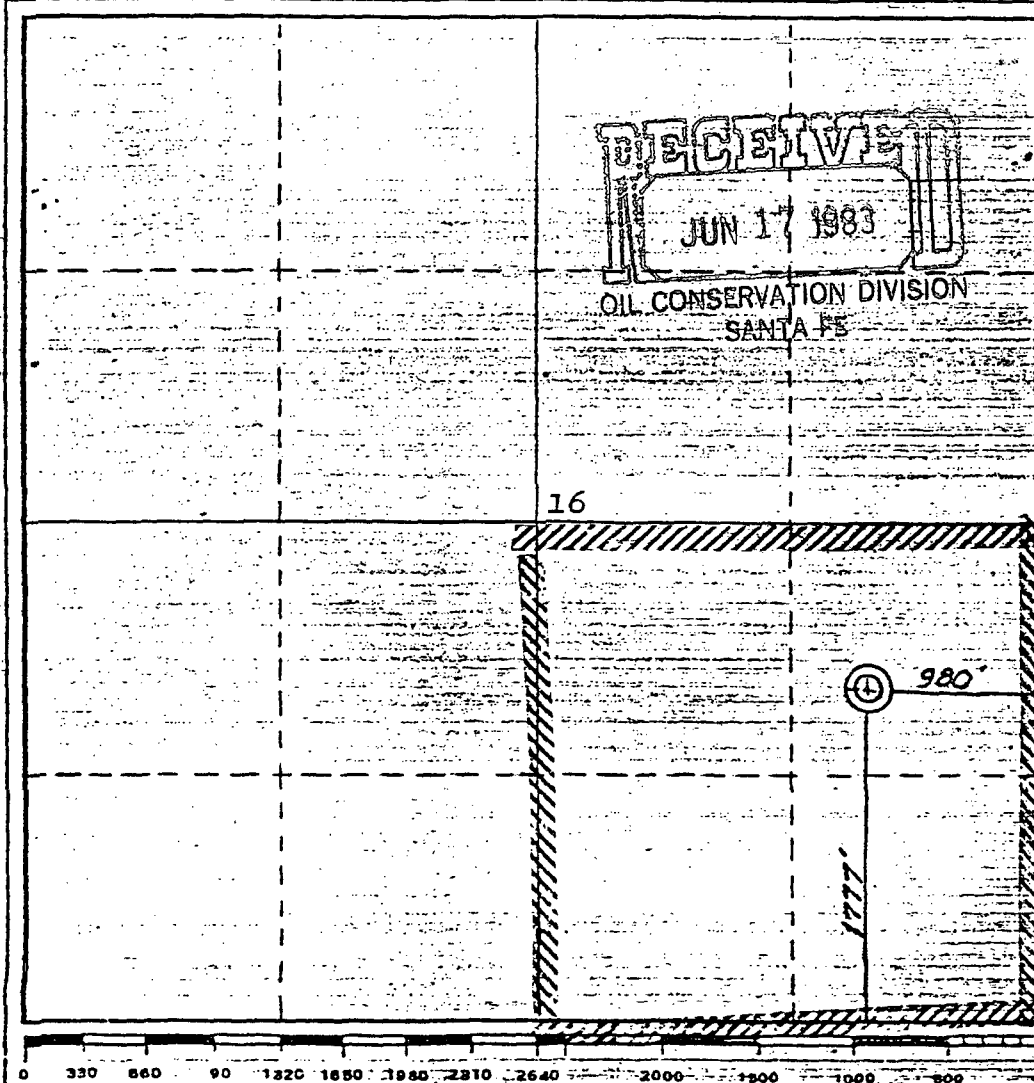
Operator EL PASO EXPLORATION COMPANY			Lessee CHACON JICARILLA		Well No. 2
Unit Letter I	Section 16	Township 23 NORTH	Range 3 WEST	County RIO ARriba	
Actual Footage Location of Well: 1777 feet from the SOUTH line and 980 feet from the EAST line					
Ground Level Elev. 7378	Producing Formation Dakota	Pool Chacon Dakota Associated Pool		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 Commission.



CERTIFICATION

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

Dora S. Drisco

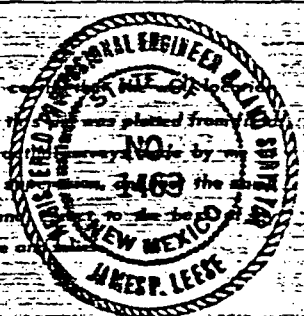
Name **Drilling clerk**

Position **El Paso Exploration Co.**

Company **June 8, 1983**

Date

I hereby certify that the information shown on this plat was plotted from the notes of the survey made by me under my supervision, and the same is true and correct to the best of my knowledge and belief.



Date Surveyed **14 August 1975**

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

Certificate No. **1463**

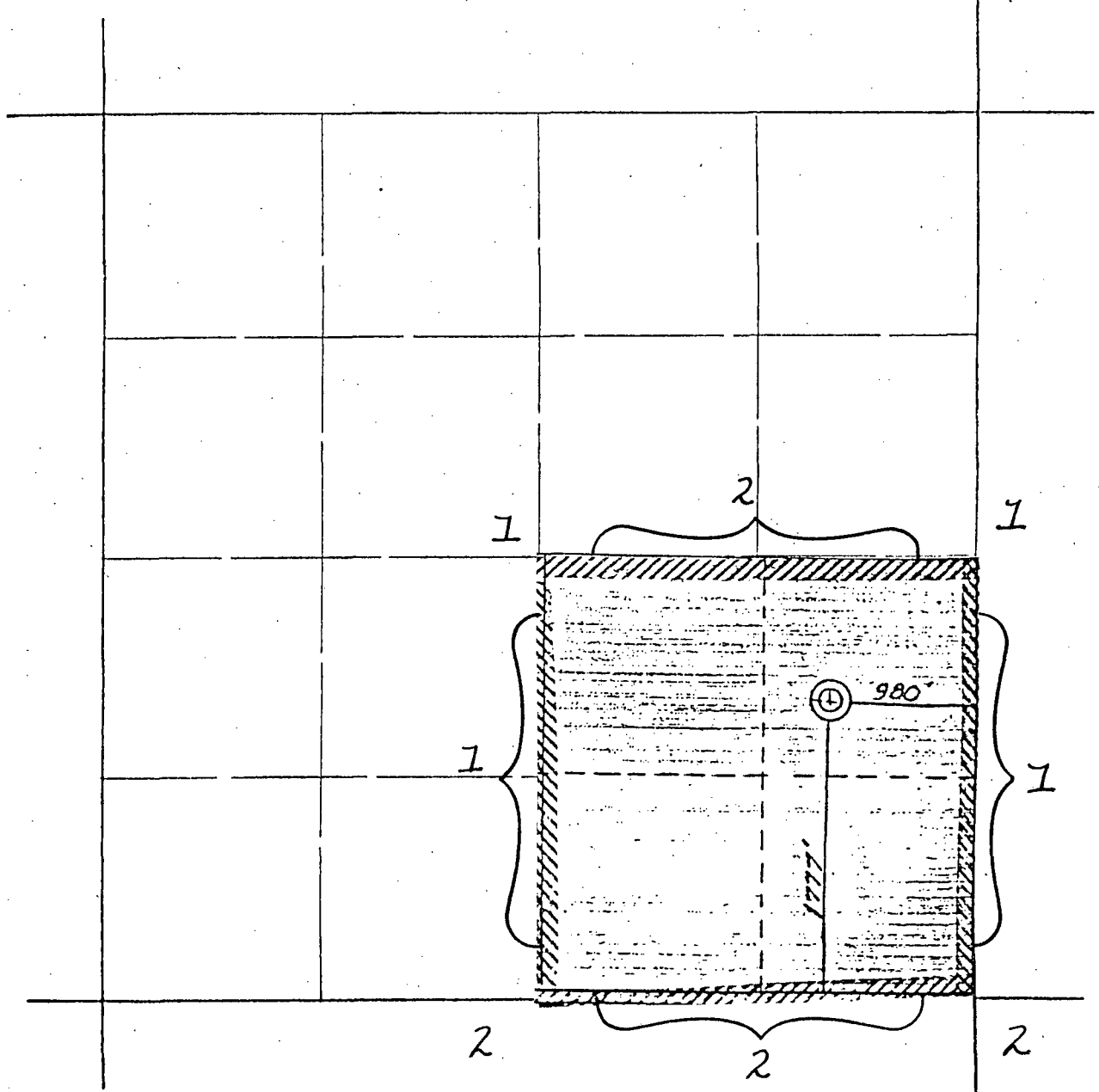
EL PASO EXPLORATION COMPANY

Well Name Chacon Jicarilla #2, Chacon Dakota

Footage----- 1777' FSL, 980' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County Rio Arriba State New Mexico Section 16 Township 23N Range 3W



REMARKS:

(1) Dave M. Thomas, Jr.

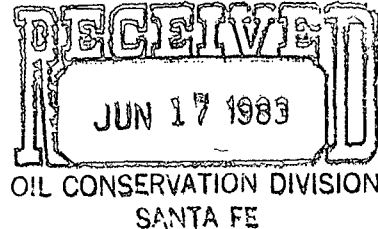
(2) El Paso Exploration Company

El Paso EXPLORATION
COMPANY

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

June 10, 1983

Dave M. Thomas, Jr.
Post Office Box 2026
Farmington, New Mexico 87401



Gentlemen:

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Sincerely,

G. W. Brink
Project Drilling Engineer

GWB:pb

WAIVER

_____ hereby waives objection to El Paso
Exploration Company's application for non-standard proration unit for
their Chacon Jicarilla D #2 well proposed above.

By _____

Date _____