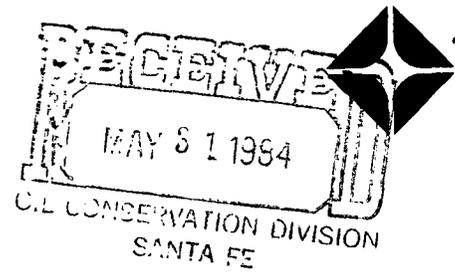


ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



May 24, 1984

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

General NSP-1428 (L)
PART A ~~SPRING~~ RULE 3 ORDER A-1670
and RULE 5(C)3
RELEASE Immediately

Dear Mr. Ramey:

Non-Standard Proration Unit
Unorthodox Location
B. Davis #2
Unit N, Sec. 34-T23S-R36E
Jalmat (Tansill Yates 7R) Gas Pool
Lea County, New Mexico

80 ACRES NON STANDARD Proration
330' FSL AND 2310' FWL
S/2 SW/4 AND ~~NE/4 SW/4~~ OF
SEC. 34 DEDICATED ACRES

ARCO Oil and Gas Company respectfully requests administrative approval under the provisions of Rule 104-C-II and Rule 104-D-II to produce the B. Davis #2 as a gas well in an unorthodox location and to establish a non-standard unit. This well is located 330' FSL and 2310' FWL in Sec. 34-23S-36E of Lea County, New Mexico, on a ~~120~~ acre lease. A ~~120~~ acre non-standard proration unit was dedicated to the B. Davis #3 under Administrative Order NSP-1267. Since the B. Davis #3 is now a Jalmat oil well, we would like to amend Order NSP-1267 to replace the B. Davis #3 with the B. Davis #2.

The B. Davis #2 was drilled in 1940 as a Langlie Mattix (Queen) oil well. The B. Davis #2 made 470 MBO between 1940 and depletion in October, 1983, at which time production was 3 BOPD, 1000 BW and 0 MCFG. Since October, 1983, recompletion attempts have included perforating a Jalmat oil zone at 3300' and a Jalmat gas zone at 3050'. The oil zone tested wet but the uphole attempt at 3050' produced a successful gas well making an estimated 375 MCFGPD. Since the well is located 330' from a lease line, we request an exception to normal location rules of 660' from lease lines.

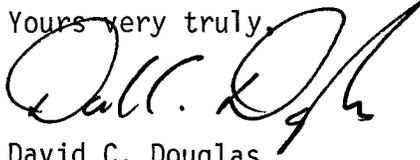
The proposed non-standard proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section. The entire proposed unit may be reasonably presumed to be productive of gas. The length of the unit does not exceed 5280 feet.

NOTE: A revised application will be sent asking for only 80 ACRES. S/2 SW/4 of Sec. 34.

Mr. Joe D. Ramey
Page 2
May 24, 1984

The attached map and Form C-102 identifies the location of the B. Davis #2, the dedicated acreage, and the offset wells. Offset operators have been notified of this request via registered mail. Thank you for your consideration.

Yours very truly,

A handwritten signature in black ink, appearing to read "D.C. Douglas", written over the closing "Yours very truly,".

David C. Douglas
Area Engineer

DCD:JTL:sc
Atts.

cc: New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

B. DAVIS #2
OFFSET OPERATORS

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240

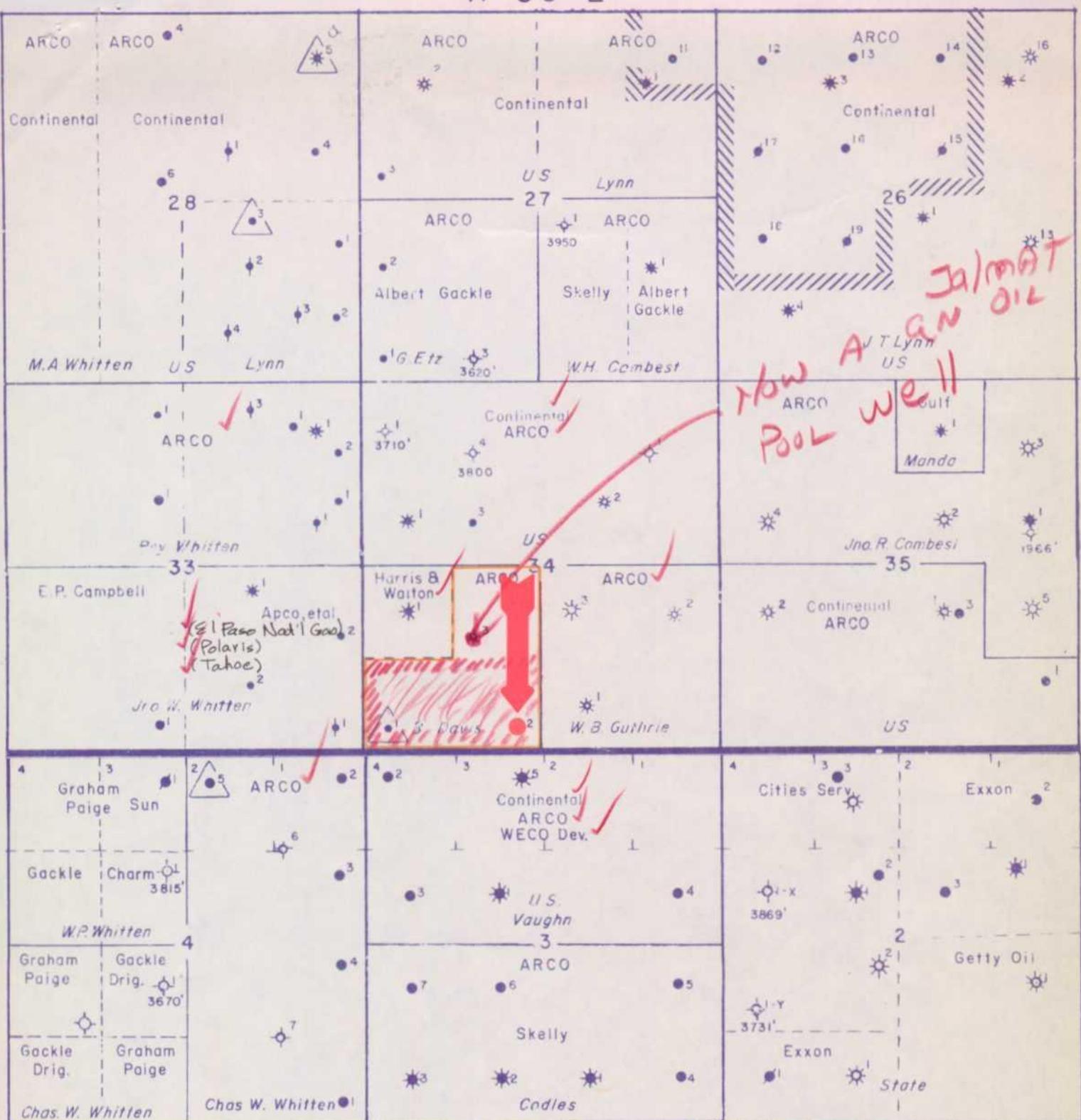
El Paso Natural Gas Co.
Box 4990
Farmington, New Mexico 87401

Harris and Walton
Box 187
Midland, Texas 79702

Polaris Production Corp.
Box 1749
Midland, Texas 79702

Tahoe Oil & Cattle Co.
4402 W. Industrial
Midland, Texas 79703

Worldwide Energy Corp.
333 N. Belt East
Ste. 1160
Houston, Texas 77070



T 23 S

T 24 S

ARCO Oil and Gas Company

Permian District Midland, Texas

JALMAT TANSILL YATES
7 - RIVERS GAS

LEA COUNTY, NEW MEXICO

B. DAVIS #2

SCALE: 1" = 2000'

By: T. HINTZEL	Drawn By:	Date: 4 - 84
Date: 4 - 84	Revised By:	Date:
By: WEST AREA ENGR	Drawn By:	Date:

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

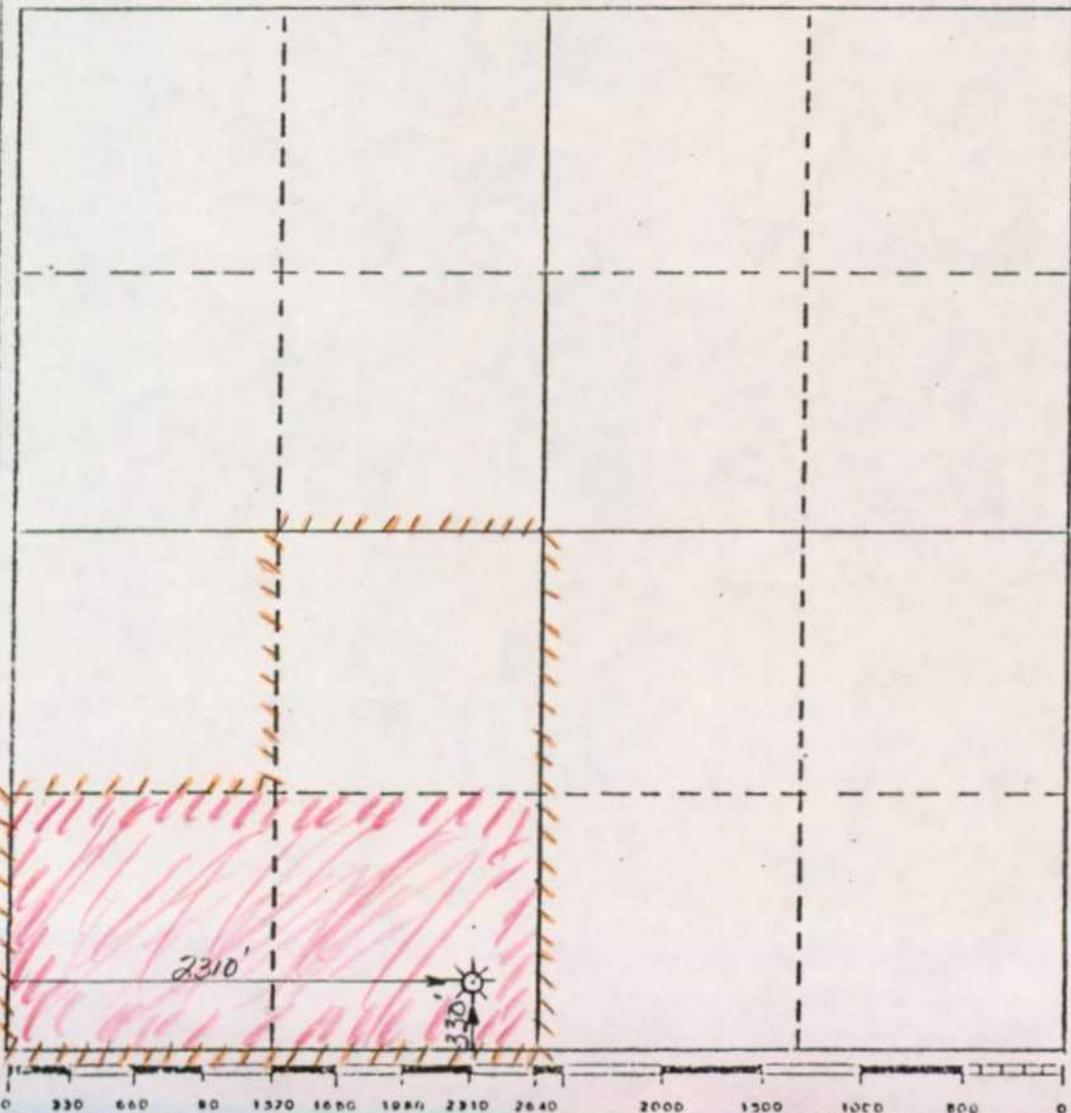
Operator ARCO		Lease B. Davis			Well No. 2
Unit Letter N	Section 34	Township 23S	Range 36E	County La	
Actual Footage Location of Well: 330 feet from the South line and 2310 feet from the West line					
Ground Level Elev. 3392'	Producing Formation Jansill gas 7R Gas		Pool Jalomat Gas	Dedicated Acreage: 80 120 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 Division.



CERTIFICATION

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

Patricia S. Hentzel
Name

Engineer
Position

Company
ARCO

Date
5-1-84

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.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 23, 1981

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

ARCO Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

Attention: Mr. J. L. Tweed

Administrative Order NSP-1267

Gentlemen:

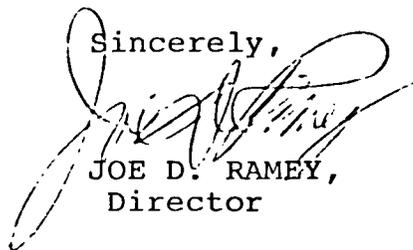
Reference is made to your application for a 120-acre non-standard proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 34: S/2 SW/4 and NE/4 SW/4

It is my understanding that this unit is to be dedicated to your B. Davis Well No. 3 located 1650 feet from the South line and 1650 feet from the West line of said Section 34.

By authority granted me under the provisions of Rule 5(c)(3) of Order No. R-1670, the above non-standard proration unit is hereby approved.

Sincerely,



JOE D. RAMEY,
Director

JDR/RLS/dr

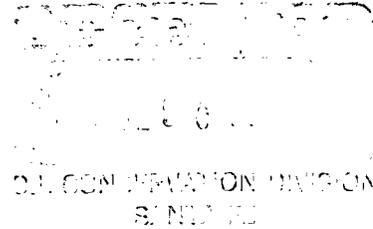
cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0148



Joe R. Hastings
District Engineer — West

July 18, 1984



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

Dear Mr. Ramey:

NSP- (L)
RULE

Non-Standard Proration Unit
Unorthodox Location
B. Davis #2
Unit N, Sec. 34-T23S-R36E
Jalmat (Tansill Yates 7R) Gas Pool
Lea County, New Mexico

ARCO Oil and Gas Company respectfully submits this amended request for administrative approval under the provisions of Rule 104-C-II and Rule 104-D-II to produce the B. Davis #2 as a gas well in an unorthodox location and to establish a non-standard unit. This well is located 330' FSL and 2310' FWL in Sec. 34-23S-36E of Lea County, New Mexico, on a 120-acre lease. A 120-acre non-standard proration unit was dedicated to the B. Davis #3 under Administrative Order NSP-1267. Since the B. Davis #3 is now a Jalmat oil well, we would like to dedicate 80 acres of the former 120-acre gas proration unit to the B. Davis #2.

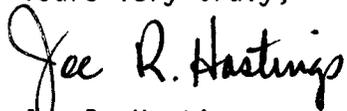
The B. Davis #2 was drilled in 1940 as a Langlie Mattix (Queen) oil well. The B. Davis #2 made 470 MBO between 1940 and depletion in October, 1983, at which time production was 3 BOPD, 1000 BW and 0 MCFG. Since October, 1983, recompletion attempts have included perforating a Jalmat oil zone at 3300' and a Jalmat gas zone at 3050'. The oil zone tested wet but the up-hole attempt at 3050' produced a successful gas well making an estimated 375 MCFGPD. Since the well is located 330' from a lease line, we request an exception to normal location rules of 660' from lease lines.

The proposed non-standard proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section. The entire proposed unit may be reasonably presumed to be productive of gas. The length of the unit does not exceed 5280 feet.

Mr. Joe D. Ramey
Page 2
July 18, 1984

The attached map and Form C-102 identifies the location of the B. Davis #2, the dedicated acreage, and the offset wells. Offset operators have been notified of this request via registered mail. Thank you for your consideration.

Yours very truly,



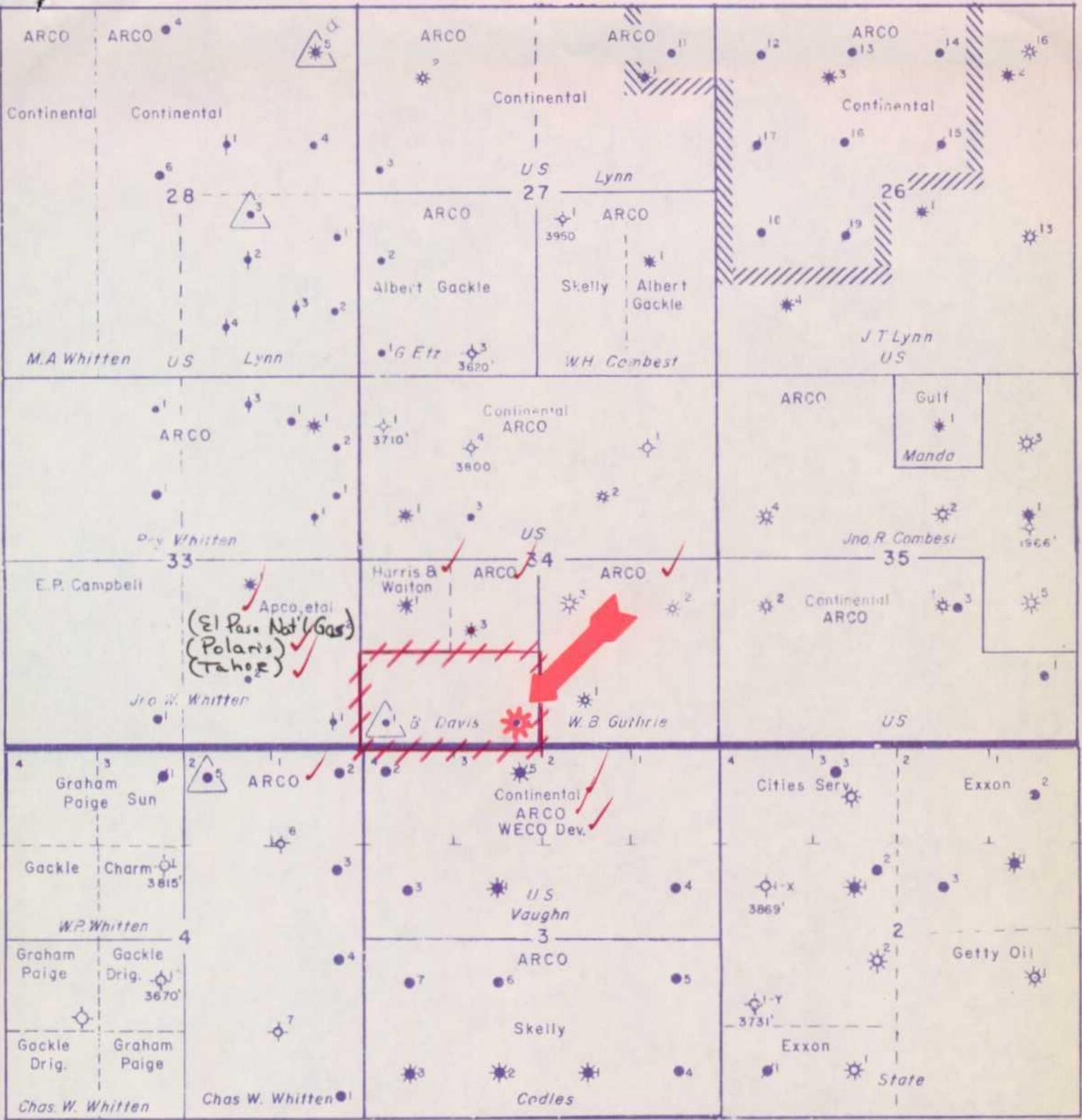
Joe R. Hastings
District Engineer

JRH:JTL:sc
Atts.

cc: New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

cc: Offset Operators

R 36 E



T
24
S

ARCO Oil and Gas Company

Permian District Midland, Texas

JALMAT TANSILL YATES
7 - RIVERS GAS
LEA COUNTY, NEW MEXICO

B. DAVIS #2

SCALE 1" = 2000'

By: T HINTZEL	Drawn By:	Date: 4 - 84
Date: 4 - 84	Revised By:	Date:
WEST AREA ENGR		Drawn By:

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

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

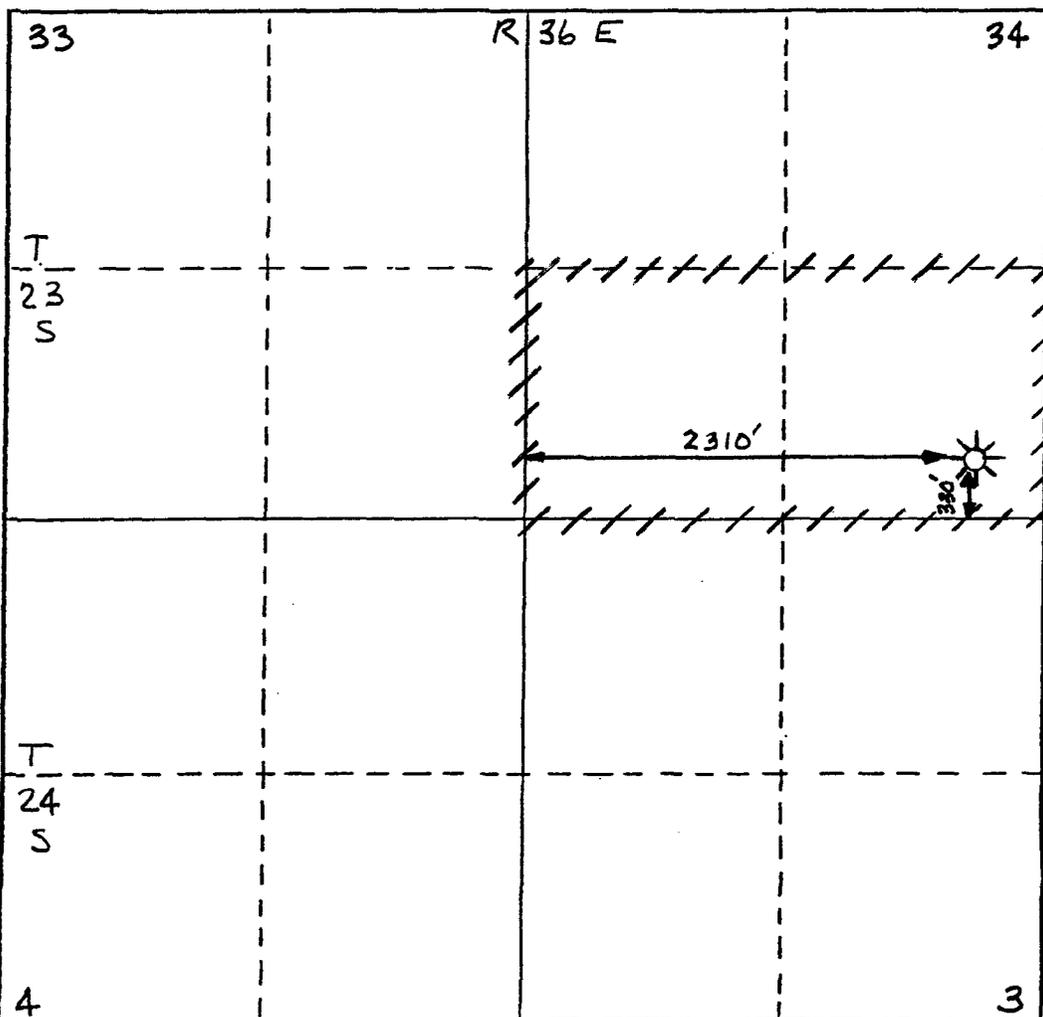
Operator ARCO Oil and Gas Co.			Lease B. Davis			Well No. 2		
Unit Letter N	Section 34	Township 23S	Range 36E	County Lea				
Actual Footage Location of Well: 330 feet from the South line and 2310 feet from the West line								
Ground Level Elev. 3392' DF	Producing Formation Tansill-Yates-Seven Rivers			Pool Jalmat Gas			Dedicated Acreage: 80 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 Division.



CERTIFICATION

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

Craig L. Payken

Name
Craig L. Payken

Position
Area Engineer

Company
ARCO Oil and Gas Co.

Date
July 17, 1984

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. _____

