

ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200

NEW MEXICO CONSERVATION DIVISION
SANTA FE, NEW MEXICO



February 1, 1990

'90 FEB 5 AM 9 20

Mr. William J. Lemay
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Non-Standard Gas Unit
O. C. Federal Com No. 1
N/3 Section 4, T21S, R36E

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval of a 313.60 non-standard gas unit in the Siluro-Devonian and Ellenburger formations that contains less than the standard 320-acres due to a variation in the U.S. Public Lands Survey. The subject unit will be dedicated to the proposed O. C. Federal Com No. 1, located at 640' FNL, 1830' FWL, Section 4-T21S-R36E, Lea County, New Mexico. ARCO Oil and Gas Company has proceeded with the permitting of the subject well.

ARCO Oil and Gas Company believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for the potential recovery of Devonian/Ellenburger gas reserves from the subject acreage.

A lease map showing the offset operators and an NMOCD Form C-102 are attached. ARCO Oil and Gas Company is notifying the offset operators of this application by certified mail. If you need further information, please call me at (915) 688-5734.

Very truly yours,

Josh C. Fu
Engineer

JCF:pc
Attachments

Chevron USA Inc.
P. O. Box 670
Hobbs, New Mexico

Amoco Production Company
P. O. Box 3092
Houston, TX 77253

Conoco Inc.
P.O. Box 460
Hobbs, NM 88240

Meridian Oil Co.
Box 4239
Houston, TX 77210

Texaco
P.O. Box 3109
Midland, TX 79702

Shell Western E&P Inc.
200 North Dairy Ashford
Houston, Tx 77079

Mid-Tex Energy Inc.
3203-A 66th ST
Lubbock, TX 79413

Nippon Central U S Oil, LTD
5445 DTC PKWY, STE 320
Englewood, CO 80111

ARCO Oil and Gas Company

Non-Standard Unit Request
O.C. Federal Com #1

Devonian/Ellenburger
N/3 Section 4, T21S, R36E
Lea County, New Mexico



OFFSET OPERATORS

Amoco
Chevron
Conoco
Meridian

Me-Tex
Nippon
Shell
Texaco

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

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

Operator ARCO Oil & Gas Company			Lease ARCO O.C. Federal Com.		Well No. 1
Unit Letter C	Section 4	Township 21 South	Range 36 East	County Lea	
Actual Footage Location of Well: 640 feet from the North line and 1830 feet from the West line					
Ground Level Elev. 3537.0	Producing Formation		Pool	Dedicated Acreage: 313.60 Acres	

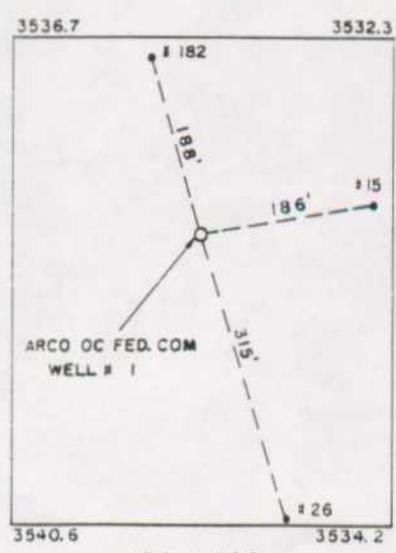
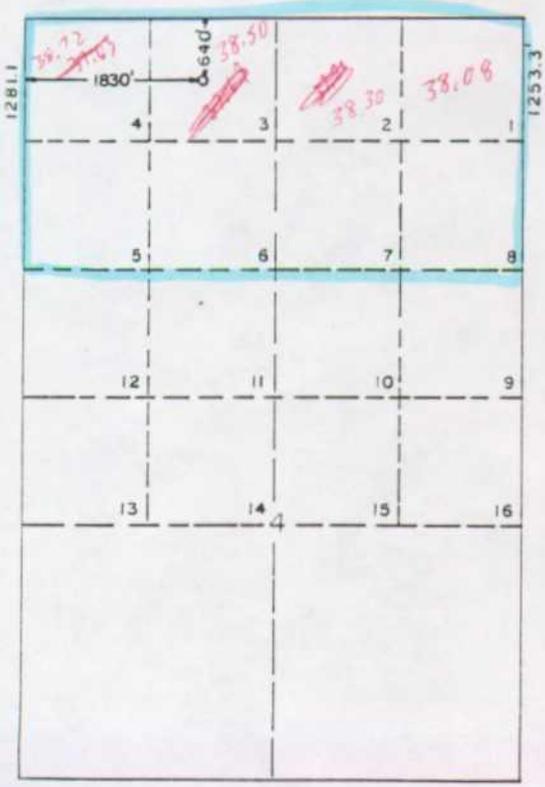
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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.

*Dev. Sec. or Easement
no 2 holes within
this area*



400 X 500
PAD
1" = 200'

39.08

CERTIFICATION

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

Name
Position
Company
Date

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 25, 1989
Registered Professional Engineer and/or Land Surveyor
<i>John W. West</i>
Certificate No. JOHN W. WEST 676

1" = 2000'

WAIVER TO OBJECTION
ARCO Oil and Gas Company
Non-Standard Gas Unit Request
O. C. Federal Com No. 1

N/3 Section 4, T21S, R36E
Lea County, New Mexico

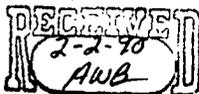
I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit for the O. C. Federal Com No. 1.

Signed: _____

Company: _____

Date: _____

ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200



RECEIVED
90 FEB 14 AM 9 51

February 1, 1990

CERTIFIED MAIL
Return Receipt Requested

Chevron U. S. A.
P. O. Box 670
Hobbs, NM 88240

Dear Sirs:

Attached is a copy of ARCO Oil and Gas Company's application for NMOCD administrative approval of a 313.6-acre non-standard gas unit for the O. C. Federal Com No. 1, located in Section 4, T21S, R36E, Lea County, New Mexico.

We hereby request your waiver to objection of this application. If you do waive your objection, please sign the enclosed waiver and mail one copy to the NMOCD in Santa Fe and one copy to ARCO Oil and Gas Company. There is also a copy of the waiver for your files. We have enclosed self-addressed stamped envelopes for your convenience.

Very truly yours,

Josh C. Fu
Engineer

JCF:jg
Enclosures

WAIVER TO OBJECTION

ARCO Oil and Gas Company

Non-Standard Gas Unit Request
O. C. Federal Com No. 1

N/3 Section 4, T21S, R36E
Lea County, New Mexico

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit for the O. C. Federal Com No. 1.

Signed: Alan W. Bohling - Special Projects Engr.

Company: Chevron U.S.A. Inc.

Date: February 9, 1990

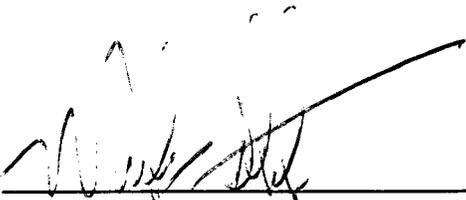
WAIVER TO OBJECTION

ARCO Oil and Gas Company

**Non-Standard Gas Unit Request
O. C. Federal Com No. 1**

**N/3 Section 4, T21S, R36E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit for the O. C. Federal Com No. 1.

Signed: 

Company: ARCO Oil and Gas Company

Date: 2/12/90

REGISTRATION DIVISION
RECEIVED
90 FEB 12 AM 9 37

WAIVER TO OBJECTION

ARCO Oil and Gas Company

Non-Standard Gas Unit Request
O. C. Federal Com No. 1

N/3 Section 4, T21S, R36E
Lea County, New Mexico

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit for the O. C. Federal Com No. 1.

Signed:  J. H. SMITHERMAN

Company: SHELL WESTERN E&P INC.

Date: 2-07-90

ME-TEX SUPPLY COMPANY

(505) 397-7750 P.O. BOX 2070 HOBBS, NEW MEXICO 88241

'90 FEB 16 AM 8 57

February 13, 1990

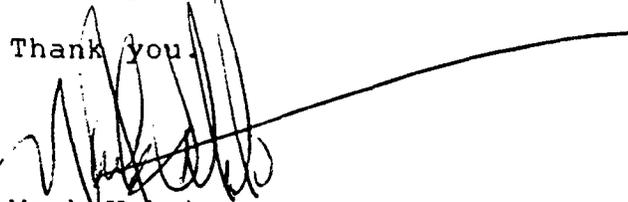
Josh C. Fu
ARCO Oil & Gas Co.
P.O. Box 1610
Midland, Texas 79702

Re: Waiver to Objection
O.C. Federal Com. #1

Mr. Fu,

Enclosed are Me-Tex Supply Company's waiver to objections regarding your O. C. Federal Com. #1 well. You enclosed only one (1) envelope which was NOT stamped. To ensure your applications are handled promptly I suggest you enclose two (2) stamped envelopes so NMOCD is assured a copy.

Thank you.



Mark Veteto
Vice-President
Me-Tex Supply Co.

MV/cw

encl



ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

90 FEB 21 AM 8 31

Amoco Production Company

Houston Region
501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

James F. Trickett
Regional Environmental, Safety &
Regulatory Affairs Manager

February 14, 1990

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Non-Standard Gas Unit
O. C. Federal Com No. 1
N/3 Section 4, T21S, R36E
Lea County, New Mexico

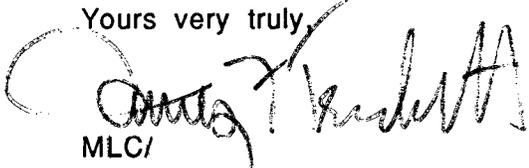
File: JCA-2642-986.51NM

Attention: William J. LeMay

Amoco Production Company has been advised that ARCO Oil and Gas Company has filed an application for administrative approval of a 313.6-acre non-standard gas unit for the O. C. Federal Com No. 1, located in Section 4, T21S, R36E, Lea County, New Mexico.

As an offset operator, Amoco Production Company has no objection to ARCO's request for NMOCD approval of a 313.6-acre non standard gas unit for the subject well.

Yours very truly,


MLC/

ARCO Oil & Gas Co.
P. O. Box 1610
Midland, TX 79702

RECEIVED DIVISION

'90 MAR 5 AM 9 35

WAIVER TO OBJECTION

ARCO Oil and Gas Company

**Non-Standard Gas Unit Request
O. C. Federal Com No. 1**

**N/3 Section 4, T21S, R36E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit for the O. C. Federal Com No. 1.

Signed: Unji Gagharhi

Company: Nippon Central U.S. Oil Co.

Date: Feb. 28, 1990

90 APR 16 AM 8 53

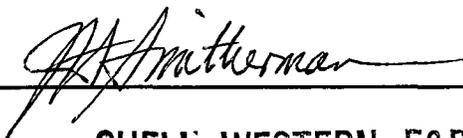
WAIVER TO OBJECTION

ARCO Oil and Gas Company

**Non-Standard Gas Unit Request
Unorthodox Location Request
O. C. Federal Com No. 1**

**N/3 Section 4, T21S, R36E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit and an unorthodox location for the O. C. Federal Com No. 1.

Signed: 

Company: SHELL WESTERN E&P INC.

Date: 4-11-90

1990 APR 27 AM 9 15

WAIVER TO OBJECTION

ARCO Oil and Gas Company

**Non-Standard Gas Unit Request
Unorthodox Location Request
O. C. Federal Com No. 1**

**N/3 Section 4, T21S, R36E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit and an unorthodox location for the O. C. Federal Com No. 1.

Signed: Alan W. Bohling

Company: Chevron U.S.A. Inc.

Date: April 25, 1990



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 19, 1990

ARCO Oil & Gas Company
P.O. Box 1610
Midland, TX 79702

Attention: Josh C. Fu, Engineer

*RE: Application for a non-standard gas
proration unit O.C. Federal Com Well
No. 1; 640' FNL - 1830' FWL, C-4-
T21S-R36E, Lea County, New Mexico.*

Dear Mr. Fu:

The location for the subject well is unorthodox pursuant to General Rule 104.B.I.; your application failed to address this issue. Please provide an amended application pursuant to General Rule 104.F. and Memorandum 3-89 (see attached).

If you should have any questions concerning this matter, please contact me at (505) 827-5811.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Petroleum Engineer

MES/ag

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

No. 3-89

MEMORANDUM

TO: ALL OIL AND GAS OPERATORS
FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*
SUBJECT: UNORTHODOX WELL LOCATIONS
DATE: MARCH 24, 1989

Previously, it has been the practice of the Division to approve applications for unorthodox well locations without penalty if they were not opposed by any off-setting operator. However, due to the increased applications for unorthodox locations based predominantly on "closeology", this Division policy may no longer be appropriate. In the future, applications for unorthodox locations, whether for administrative approval or through the hearing process, will have to be supported by substantial evidence.

The Division will be reviewing future applications in an effort to develop guidelines for approving or denying such applications. Generally, if the application is based upon surface conditions, i.e., topography, archaeological considerations, etc., it will have to be clearly shown what obstructions prevent the drilling of the well at a legal location and the unorthodox location will have to be as close as practicable to the orthodox location. If unorthodox location is being requested for geological reasons, the applicant should be prepared to present evidence showing the geological factors that dictate the necessity for drilling an unorthodox location.

As always, the Division welcomes industry input into the process.

dr/

30-025-30790

Form 3160-3
(November 1983
formerly 9-331C)

N. M. OIL CONS. COMMISSION

P. O. BOX 1500
MUSKOGEE, NEW MEXICO
INSTRUCTIONS ON
reverse side

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

1b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 ARCO Oil and Gas Company, a Division of Atlantic Richfield Co.

3. ADDRESS OF OPERATOR
 P.O. Box 1610, Midland, Texas 79702

4. LOCATION OF WELL (Report clearly and in accordance with any State requirements.)
 At surface 640' FNL & 1830' FWL
 At proposed Prod. zone Approximately the same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 2 miles NW of Oil Center, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. line, if any) 640'

16. NO. OF ACRES IN LEASE 313.60

17. NO. OF ACRES ASSIGNED TO THIS WELL 313.60

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None

19. PROPOSED DEPTH 12000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether GR or KB) 3537.0 GL

22. APPROX. DATE WORK WILL START Spud 2/90

6. LEASE DESIGNATION AND SERIAL NO.
 LC-031740-B

8. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 FEDERAL COM.

9. WELL NO.
 #1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., M., OR BLK. AND SURVEY OR AREA
 Sec 04, T21S-R36E

12. COUNTY Lea

13. STATE NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT ¹¹³
17-1/2"	13-3/8"	48#	400'	550 cuft CIRCULATE
12-1/4"	9-5/8"	36#	5000'	2000 cuft CIRCULATE
8-3/4"	7" or 5-1/2"	26# or 17#	12000'	2000 cuft

Pursuant to the "Onshore Oil and Gas Order #1" attachments are as follows:

1. Certified Location Plat
2. Drilling Plan with attachments
3. Surface Use Plan with attachments
4. Release of Damage Claim

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

RECEIVED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED M E 30 TITLE Area Drilling Engineer DATE 12/28/89
(This space for Federal or State Use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY Orig. Signed by Richard L. Manus TITLE CARLSBAD RESOURCE AREA DATE 2-2-90

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department or agency of the United States any false, fraudulent or fraudulent statements or representations as to any matter within its jurisdiction.

NON-STANDARD LOCATION
Subject to
Like Approval
by State

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator ARCO Oil & Gas Company			Lease ARCO O.G. Federal Com. "OC"		Well No. 1
Unit Letter C	Section 4	Township 21 South	Range 36 East	County Lea	
Actual Footage Location of Well: 640 feet from the North line and 1830 feet from the West line					
Ground Level Elev. 3537.0	Producing Formation Ellenburger		Pool Wildcat	Dedicated Acreage 313.60 Acres	

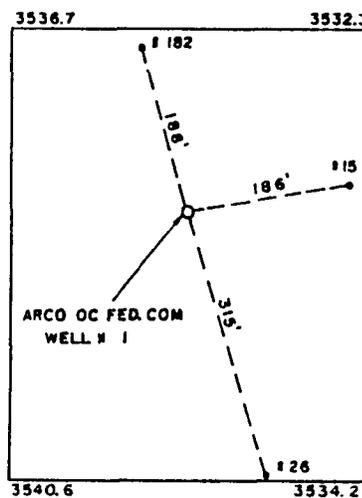
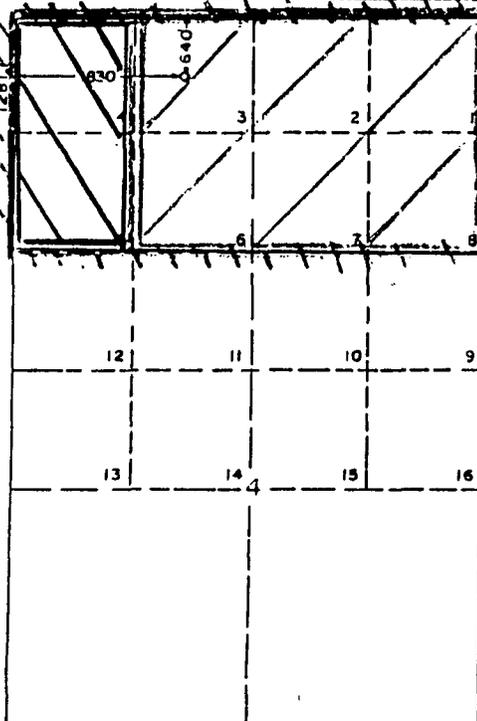
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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.

~~ARCO~~ Dedicated Acreage
~~ARCO~~ CREATION Contributed 12.5% ROYALTY
~~ARCO~~ ARCO LEASE Judging Scale 12.5-16.67%



400 X 500
PAD
1" = 200'

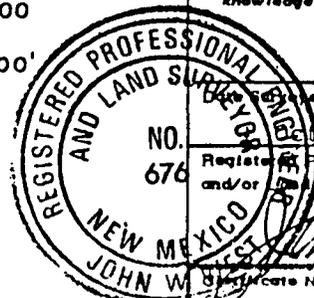
1" = 2000'

CERTIFICATION

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

Name Michael W. Howe
 Position DELEG ENG
 Company ARCO OIL & GAS
 Date 12-28-1989

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.



October 25, 1989

Registered Professional Engineer and/or Land Surveyor

State License No. JOHN W. WEST

676

RECEIVED
1990 MAY 2 AM 8 49

WAIVER TO OBJECTION

ARCO Oil and Gas Company

Non-Standard Gas Unit Request
Unorthodox Location Request
O. C. Federal Com No. 1

N/3 Section 4, T21S, R36E
Lea County, New Mexico

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit and an unorthodox location for the O. C. Federal Com No. 1.

Signed: H. Horiuchi

H. Horiuchi, President

Company: Nippon Central U.S. Oil, Ltd.

Date: April 27, 1990



APR 27 1990
7 9 07

Amoco Production Company

Houston Region
501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

James F. Trickett
Regional Environmental, Safety &
Regulatory Affairs Manager

April 27, 1990

NSP-1600(1)

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Non-Standard Gas Unit
Unorthodox Location
O. C. Federal Com No. 1
N/3 Section 4, T21S, R36E
Lea County, New Mexico

File: JCA-2646-986.51NM

Attention: William J. LeMay

Amoco Production Company has been advised that ARCO Oil and Gas Company has filed an application for administrative approval of a 313.6-acre non-standard gas unit and an unorthodox location for the O. C. Federal Com No. 1, located in Section 4, T21S, R36E, Lea County, New Mexico.

As an offset operator, Amoco Production Company has no objection to ARCO's request for NMOCD approval of a 313.6-acre non standard gas unit and an unorthodox location for the subject well.

Yours very truly,


MLC/

ARCO Oil & Gas Co.
P. O. Box 1610
Midland, TX 79702

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'90 JUN 27 AM 9 30

June 25, 1990

Mr. William J. Lemay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location and Non-Standard
Gas Unit
O.C. Federal Com No. 1
North/3 of Section 4, T21S, R36E
Lease NM-10, 11-B and 12

NSP-1600 (2)

Dear Mr. Lemay:

Attached, please find one executed WAIVER TO OBJECTION executed by Meridian Oil Inc. This waiver concerns Arco's proposal to drill the O. C. Federal Com No. 1 Well at a location in the North/3 of Section 4, T21S, R36E.

If there are any questions concerning this matter, please contact the undersigned.

Very truly yours,

MERIDIAN OIL INC.



Don W. Davis
Area Landman

DWD/bk
Enclosure

WAIVER TO OBJECTION

ARCO Oil and Gas Company

Non-Standard Gas Unit Request
Unorthodox Location Request
O. C. Federal Com No. 1

N/3 Section 4, T21S, R36E
Lea County, New Mexico

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 313.6-acre non-standard gas unit and an unorthodox location for the O. C. Federal Com No. 1.

Signed: Dr. Darris

Company: Meridian Oil Inc.

Date: 6-21-90