

ARCO Oil and Gas Company
Western District
Post Office Box 1610
Midland, TX 79702
Telephone (915) 688-5200

OIL CONSERVATION DIVISION
RECEIVED



1993 FEB 10 AM 8 01

February 4, 1993

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

Mr. J. T. Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval to divide an existing 640-acre Jalmat gas proration unit (consisting of Section 15, T-22S, R-36E) into two 320-acre Jalmat gas proration units. One proration would be the W/2 of Section 15 and the other proration unit would be the E/2 of Section 15. Production from the existing 640-acres is from the McDonald State WN Wells #14, #15, and #23. ARCO is also requesting administrative approval of the unorthodox locations of these existing wells in the proposed proration units. The proposed E/2 proration unit would contain production from Well #14, while the proposed W/2 proration unit would contain production from Wells #23 and #15. The reason for requesting that the existing 640-acre proration unit be divided is that ARCO is assigning its rights in the W/2 of Section 15 to Marathon Oil Company as part of an Exchange Agreement. In the near future, Marathon will be operator of the W/2 of Section 15, while ARCO will remain the operator of the E/2 of Section 15.

Attached are C-102 forms identifying the proposed configurations of the two 320-acre Jalmat gas proration units. Also attached is a list of offset operators for this unit, and a land plat map of the surrounding area.

ARCO Oil and Gas Company believes approval of this request will be in the interest of conservation and will protect correlative rights.

ARCO Oil and Gas Company is notifying the offset operators of this application by sending a copy of this application package, along with waiver to objection forms, by certified mail. If you need further information, please call me at (915) 688-5446.

Sincerely,

David K. Newell
Senior Operations/Analytical Engineer
DKN:lrh

Attachment

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed stamped, self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

Application to divide an existing 640-acre Jalmat gas proration unit into two 320-acre Jalmat gas proration units and for approval of the unorthodox locations of the existing wells within the new proration units.

**Jalmat Gas Pool
Section 15, T-22S, R-36E
Lea County, New Mexico**

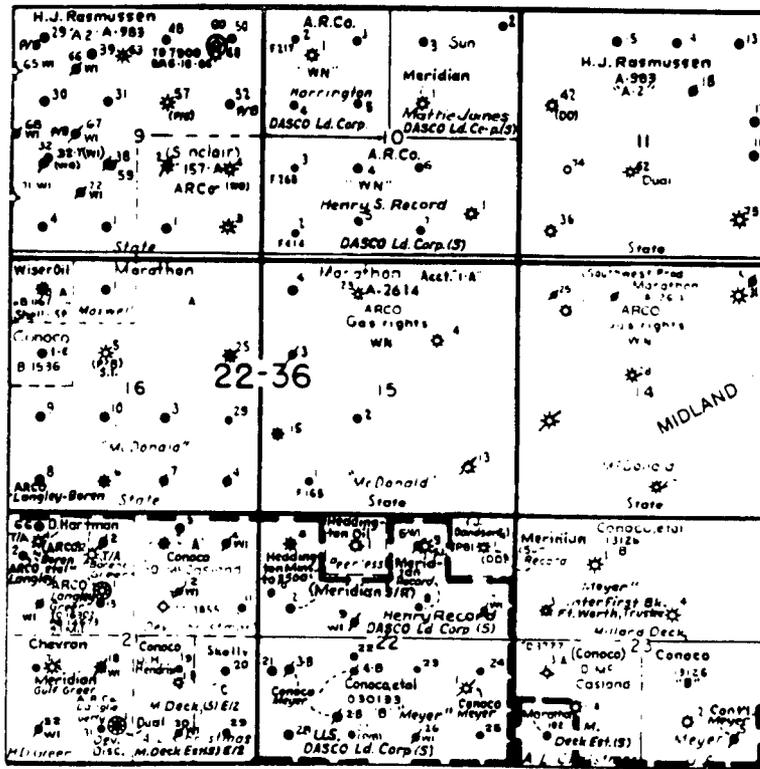
I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval to divide an existing 640-acre Jalmat gas proration unit into two 320-acre Jalmat gas proration units and for approval of the unorthodox locations of the existing wells within the new proration units.

Signed: _____
Title: _____
Company: _____
Date: _____

ARCO OIL AND GAS COMPANY

Application to divide an existing 640-acre Jalmat gas proration unit into two 320-acre gas proration units, and for approval of the unorthodox locations of the existing wells within the new proration units.

Jalmat Gas Pool
 Section 15, T-22S, R-36E
 Lea County, New Mexico



OFFSET OPERATORS

- Conoco Inc.
- Clayton W. Williams, Jr.
- Dallas McCasland
- Headington Oil Company
- Marathon Oil Company
- Meridian Oil Inc.
- Texaco Exploration & Production

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

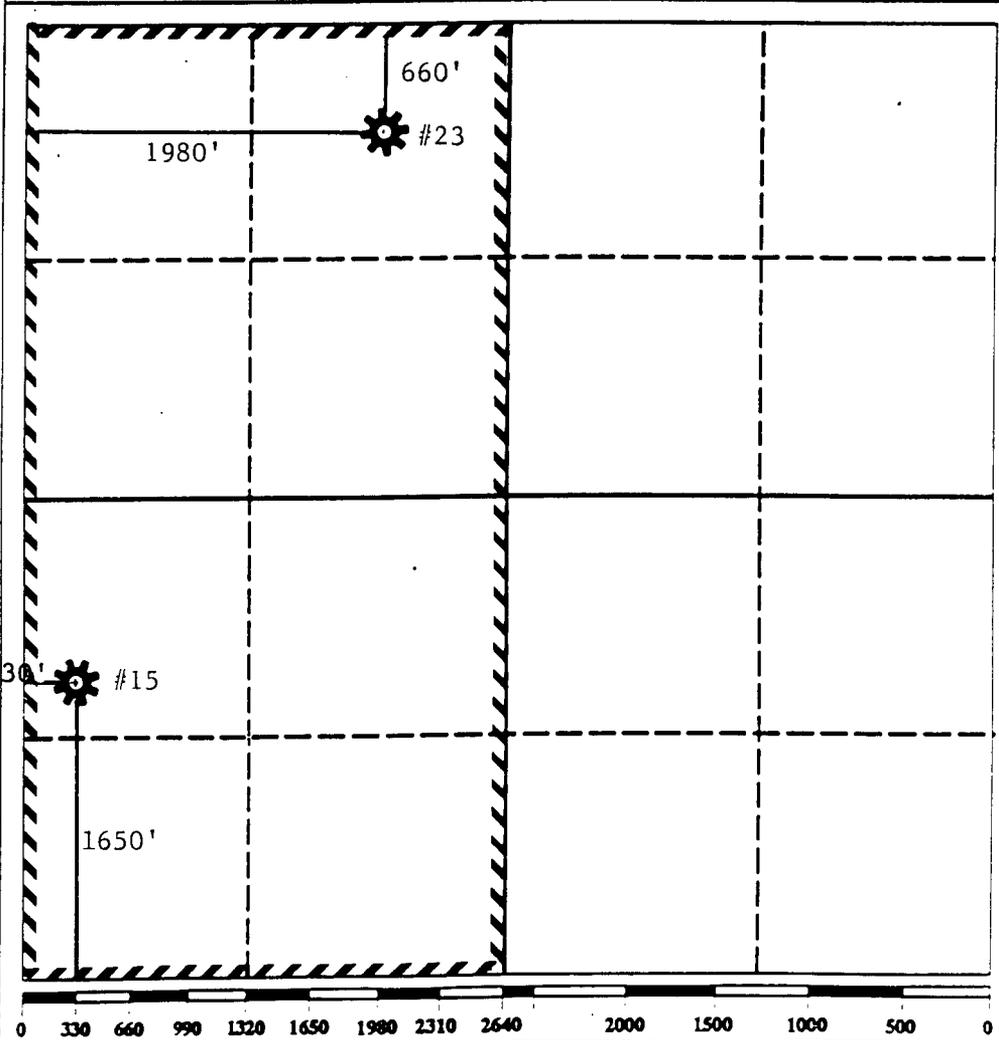
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator ARCO OIL AND GAS COMPANY		Lease McDONALD STATE WN		Well No. #23
Unit Letter C	Section 15	Township T-22S	Range R-36E	County LEA
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the WEST line				
Ground level Elev. 3548'	Producing Formation YATES/TANSILL/SEVEN RIVERS	Pool JALMAT GAS	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Evelyn E. Gilson
Printed Name
E. E. GILSON
Position
ENGINEERING TECHNICIAN
Company
ARCO OIL AND GAS COMPANY
Date
FEBRUARY 5, 1993

SURVEYOR CERTIFICATION

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
Signature & Seal of Professional Surveyor
Certificate No.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

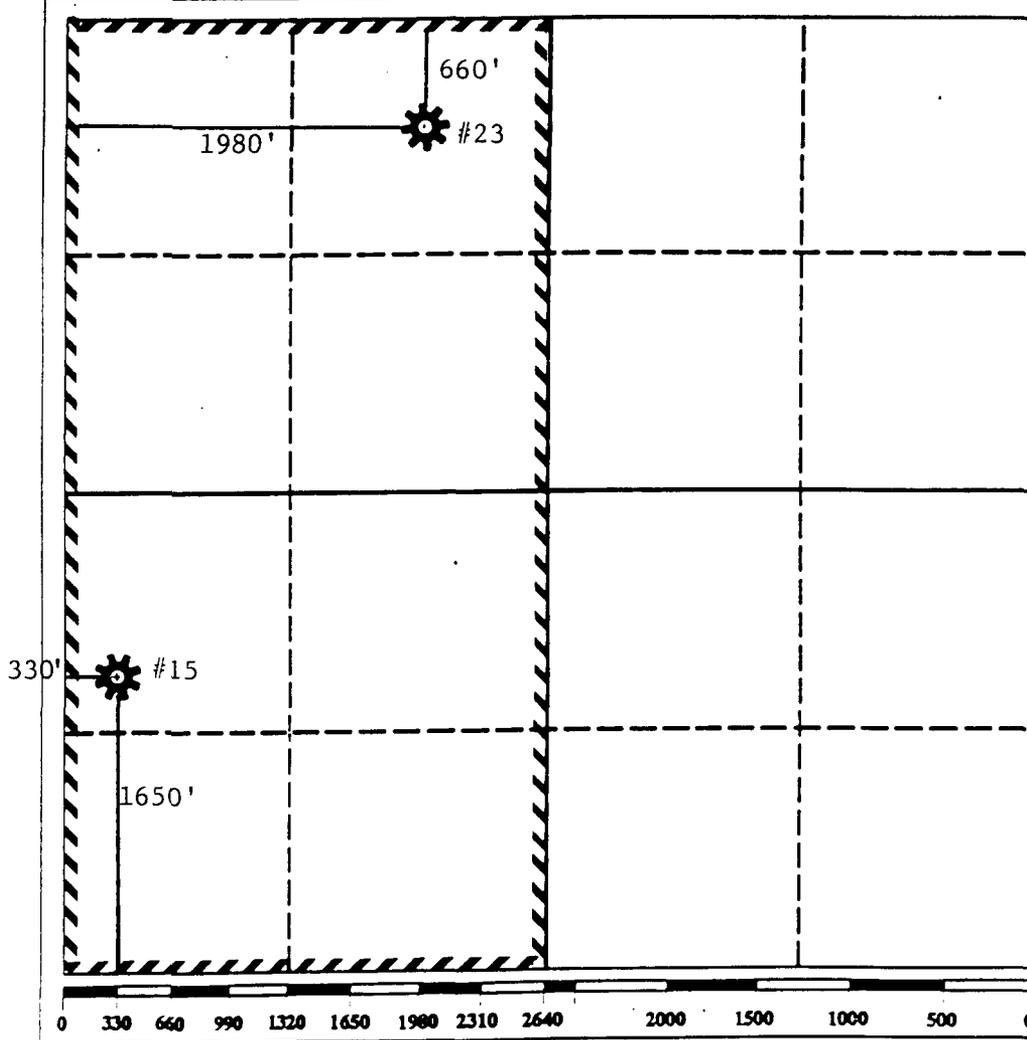
Operator ARCO OIL AND GAS COMPANY			Lease McDONALD STATE WN		Well No. #15
Unit Letter L	Section 15	Township T-22S	Range R-36E	County NMPM LEA	
Actual Footage Location of Well: 1650 feet from the SOUTH line and 330 feet from the WEST line					
Ground level Elev. 3554'	Producing Formation TANSILL/YATES/SEVEN RIVERS		Pool JALMAT GAS	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



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

Signature
Evelyn E. Gilson
Printed Name
E. E. GILSON

Position
ENGINEERING TECHNICIAN

Company
ARCO OIL AND GAS COMPANY

Date
FEBRUARY 5, 1993

SURVEYOR CERTIFICATION
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 _____

Signature & Seal of Professional Surveyor _____

Certificate No. _____

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

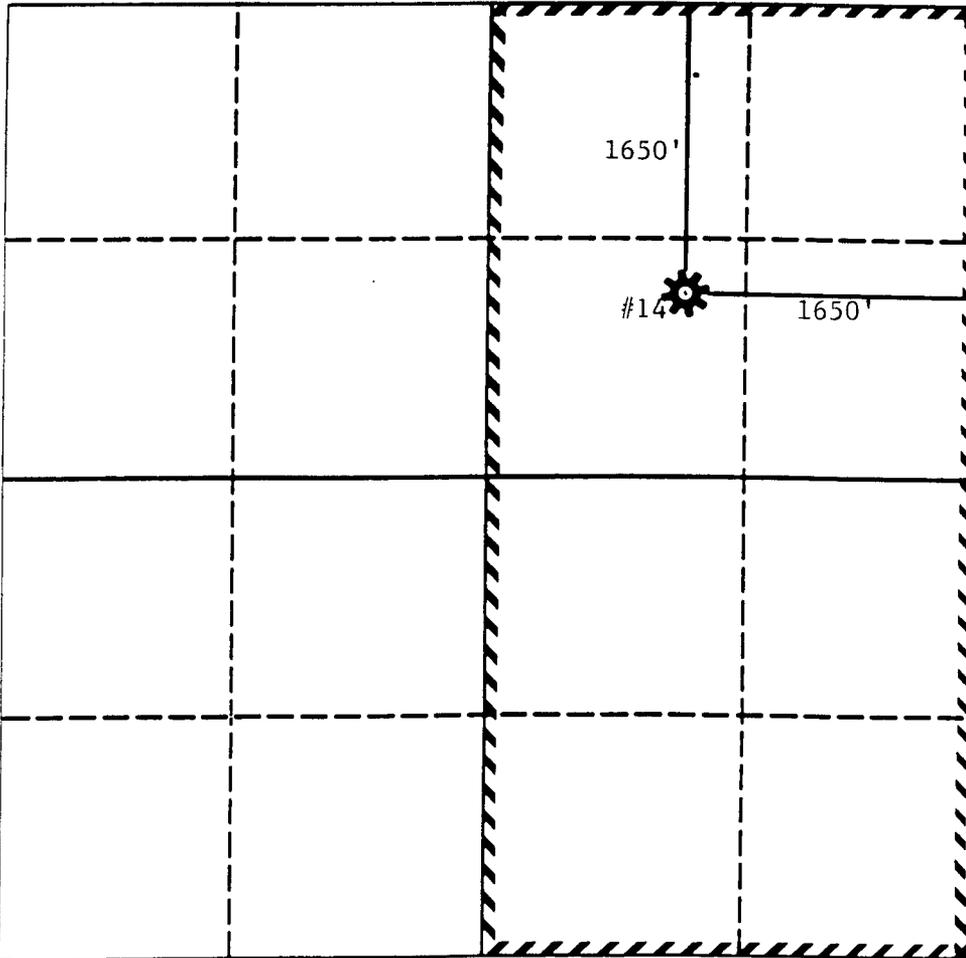
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator ARCO OIL AND GAS COMPANY			Lease McDONALD STATE WN		Well No. 14
Unit Letter G	Section 15	Township T-22S	Range R-36E	County LEA	
Actual Footage Location of Well: 1650 feet from the NORTH line and 1650 feet from the EAST line					
Ground level Elev. 3539'	Producing Formation TANSILL/YATES/SEVEN RIVERS			Pool JALMAT GAS	Dedicated Acreage: 320 Acres

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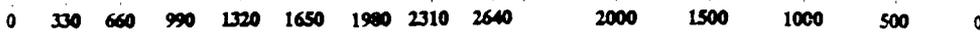


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Evelyn E. Gilson
 Printed Name
 EVELYN E. GILSON
 Position
 ENGINEERING TECHNICIAN
 Company
 ARCO OIL AND GAS COMPANY
 Date
 FEBRUARY 4, 1993

SURVEYOR CERTIFICATION
 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
 Signature & Seal of Professional Surveyor
 Certificate No.





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

RECEIVED
'93 FEB 16 AM 9 32

2-10-93

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

<u>Arco oil & Gas</u>	<u>McDonald</u>	<u>WN St.</u>	<u># 23-C 15-22-36</u>
Operator	Lease & Well No.	Unit	S-T-R

~~# 24-G 15-22-36~~
~~# 15-L 15-22-36~~
~~# 23-C 15-22-36~~

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed stamped, self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

Application to divide an existing 640-acre Jalmat gas proration unit into two 320-acre Jalmat gas proration units and for approval of the unorthodox locations of the existing wells within the new proration units.

**Jalmat Gas Pool
Section 15, T-22S, R-36E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval to divide an existing 640-acre Jalmat gas proration unit into two 320-acre Jalmat gas proration units and for approval of the unorthodox locations of the existing wells within the new proration units.

Signed: 
Title: Prod. Supt.
Company: Clayton W. Williams, Jr., Inc.
Date: 2-10-93

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Conoco, Inc. Attn: J. W. Hoover 10 Desta Drive, Suite 100W Midland, Texas 79705-4500		4a. Article Number P 322 151 952	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery 2-9-93	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) <i>Anita Gonzales</i>			
PS Form 3811, November 1990 * U.S. GPO: 1991-287-066 DOMESTIC RETURN RECEIPT			

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Clayton W. Williams, Jr. Attn: Matt Swierc 6 Desta Drive, Suite 3000 Midland, Texas 79705		4a. Article Number P 322 151 953	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery 2-9-93	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) <i>R. Moreno</i>			
PS Form 3811, November 1990 * U.S. GPO: 1991-287-066 DOMESTIC RETURN RECEIPT			

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3. Article Addressed to: Dallas McCasland P. O. Box 206 2100 Avenue "O" Eunice, New Mexico 88231		4a. Article Number P 322 151 954	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery 2-9-93	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) <i>John Crowell</i>			
PS Form 3811, November 1990 * U.S. GPO: 1991-287-066 DOMESTIC RETURN RECEIPT			

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Headington Oil Properties Inc.
P.O. Box 12919
Dallas TX 75225

4a. Article Number

P 322 151 951

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

FEB 10 1993

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

2/10/93

PS Form 3811, November 1990 ☆ U.S. GPO: 1991-287-068

DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Marathon Oil
P. O. Box 552
Midland, Texas 79702

4a. Article Number

P 322 151 955

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 ☆ U.S. GPO: 1991-287-068

DOMESTIC RETURN RECIF

SENDER:

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Meridian Oil Inc.
Attn: Connie L. Malik
P. O. Box 51810
Midland, Texas 79710-1810

4a. Article Number

P 322 151 956

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

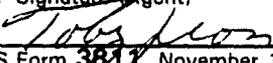
5. Signature (Addressee)

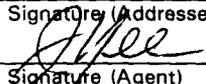
6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

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3. Article Addressed to: Texaco Explo. & Prod. Inc. Attn: R. S. Lane P. O. Box 3109 Midland, Texas 79701		4a. Article Number P 32251949	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery FEB - 9 1993	
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6. Signature (Agent) 			
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3. Article Addressed to: Texaco Explo. & Prod. Inc. Attn: J. A. Head P. O. Box 728 Hobbs, New Mexico 88240		4a. Article Number P 322 151 950	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery 2-10-93	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) 			
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