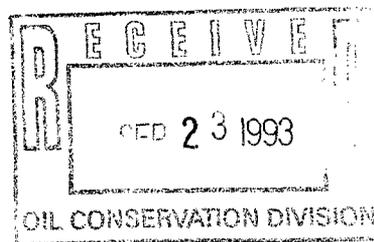


ARCO Oil and Gas Company
Western District
Post Office Box 1610
Midland, TX 79702
Telephone (915) 688-5200



September 20, 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

RE: Application to Reinstate a Non Standard 80-acre Eumont Gas Proration Unit
State "O" #4
W/2 NW/4 of Section 32, T-20S, R-37E, Lea County, New Mexico
Eumont (Yates/Seven Rivers/Queen) Gas Pool

Dear Mr. LeMay / Mr. Sexton:

ARCO Oil and Gas Company respectfully requests administrative approval to reinstate a non-standard 80-acre Eumont gas proration unit, which consists of the W/2 NW/4 of Section 32, T-20S, R-37E, Lea County, New Mexico. ARCO plans to drill the State "O" #4, at a location 1770' FNL and 660' FWL, and dedicate it to this proration unit. This 80-acre proration unit was first established (grandfathered in) for the State "O" #2. The State "O" #2 last produced from the Eumont gas pool in January 1987, when it was recompleted to the Eunice Monument oil pool and turned over to the Eunice Monument South Unit. The location of the State "O" #4 is a standard location for this proration unit.

Attached is a C-102 form identifying the configuration of the subject 80-acre Eumont gas proration unit. 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, will protect correlative rights, and will allow for a more complete recovery of Eumont gas reserves from the subject acreage.

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
Sr. Operations/Analytical Engineer
DKN:lrh
cc: J. Cogburn - Hobbs
Attachments

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

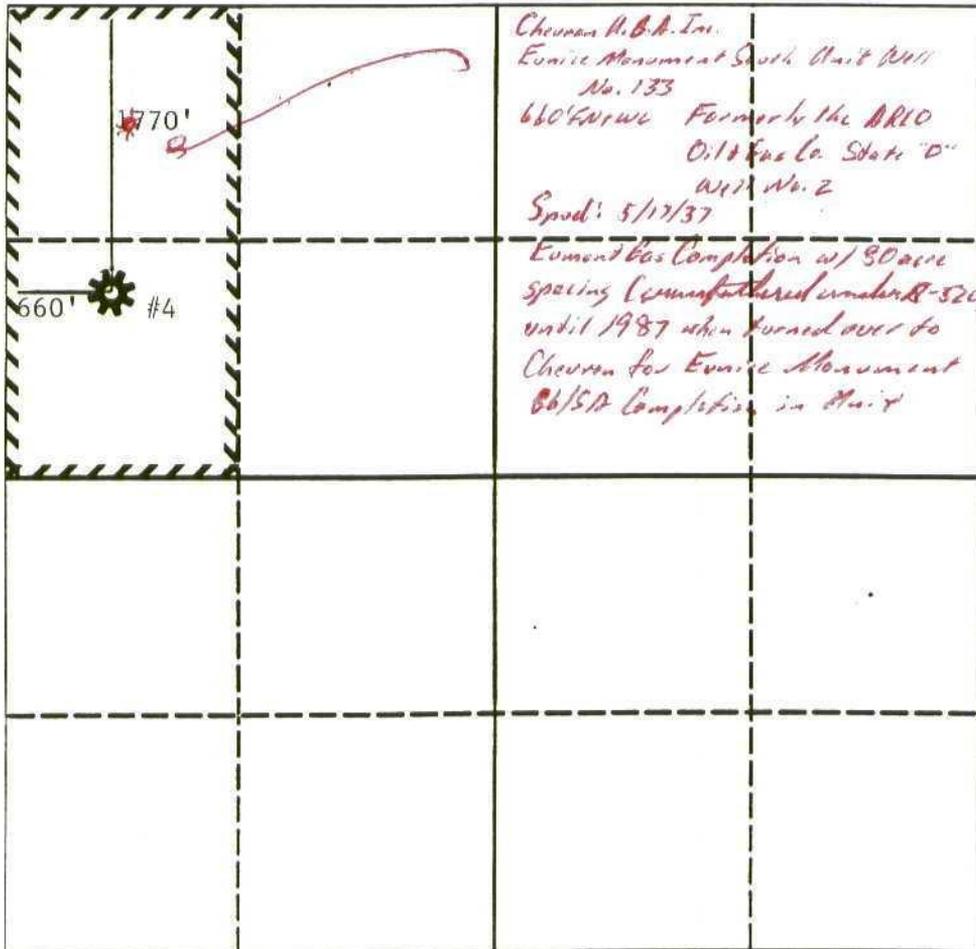
Operator ARCO OIL AND GAS COMPANY			Lease STATE "O"		Well No. #4
Unit Letter E	Section 32	Township 20S	Range 37E	County NMPM LEA	
Actual Footage Location of Well: 1770' feet from the NORTH line and 660' feet from the WEST line					
Ground level Elev. 3529'	Producing Formation YATES/7-RIVERS/ QUEEN		Pool EUMONT	Dedicated Acreage: 80 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).
- 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
 EVELYN E. GILSON

Position
 ENGINEERING TECHNICIAN

Company
 ARCO OIL AND GAS COMPANY

Date
 AUGUST 31, 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 _____

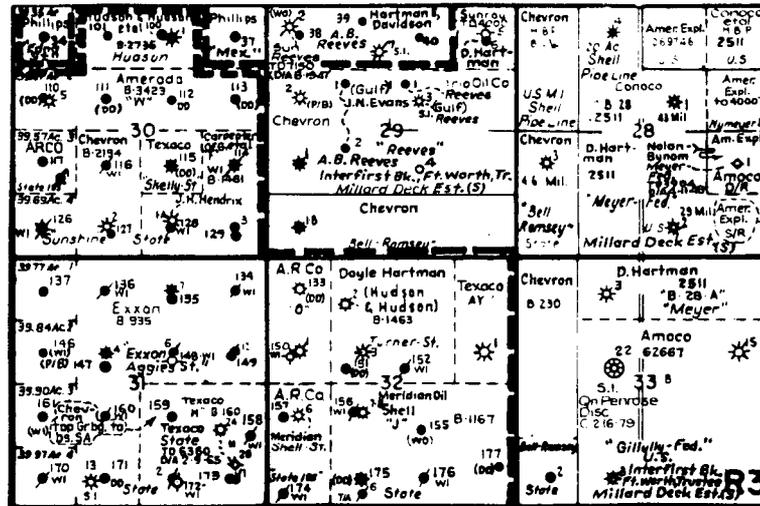
Certificate No. _____



ARCO OIL AND GAS COMPANY
 Application to reinstate a non-standard
 80-acre Eumont Gas Proration Unit

State "O" #4

Eumont Gas Pool
 Section 32, T20S, R37E
 Lea County, New Mexico



OFFSET OPERATORS

Chevron, USA

Doyle Hartman

Exxon Corporation

John H. Hendrix Corporation

Meridian Oil Inc.

Texaco Exploration and Production Inc.

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 self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

**Application to reinstate a non-standard
80-acre Eumont gas proration unit
State "O" #4
Eumont Gas Pool
Section 32, T20S, R37E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval to reinstate a non-standard 80-acre Eumont gas proration unit and dedicate the State "O" #4 to it.

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

OIL CONSERVATION DIVISION
RECEIVED

'93 OCT 21 AM 8 48

15P-1679

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

**Application to reinstate a non-standard 80-acre
Eumont Gas Proration Unit which comprises W/2 NW/4 of
Section 32, T20S, R37E**

State "O" #4
Eumont Gas Pool
1770' FNL and 660' FWL
Section 32, T20S, R37E
Lea County, New Mexico

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval to reinstate a non-standard 80-acre Eumont Gas Proration Unit and dedicate the State "O" #4 to it.

Signed: FS Godbold
Title: Engineering Supervisor
Company: Chevron U.S.A., Inc.
Date: 10/14/93



OIL CONSERVATION DIVISION
RECEIVED

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

SEP 30 1993 12

BRUCE KING
GOVERNOR

September 29, 1993

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:

Arco Oil & Gas Co.	State 0	#4-E	32-20-37
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

- /ed