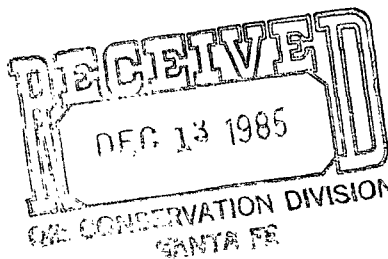


Release Immediate

ARCO
ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0363

Stephen G. Suellentrop
District Engineer



B9 DEC



December 6, 1985

NSL-2213
RULE-104A(1)

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

RE: Unorthodox location
Seven Rivers Queen Unit No. 69
Lea County, New Mexico
South Eunice Field

Longhorn Bladder Pool
South Eunice Seven Rivers
Queen Pool
40 Acres
NE14 NE14 Section 34

Dear Mr. Stamets:

ARCO Oil and Gas Company respectfully requests administrative approval to drill its Seven Rivers Queen Unit No. 69, a proposed producing well in an active waterflooding unit, at an unorthodox location of 1170' FNL & 1140' FEL, Section 34, Township 22 South, Range 36 East, Lea County, New Mexico. The well is to be drilled to a TD of 3900' to test the Seven Rivers and Queen formations. In ARCO's opinion, completion of the well at the proposed location will provide an efficient production and injection pattern within a secondary recovery project. This well is expected to recover unswept oil by increasing the amount of floodable pay and by increasing the injection efficiency due to increased continuity. Offset operators have been notified of this request via certified mail. Attached is a plat showing the Seven Rivers Queen Unit and the proposed well's location.

Very truly yours,

S. G. Suellentrop
District Engineer

SGS:CWE:tis
Attachment

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

Marathon Oil Company
P.O. Box 2409
Hobbs, NM 88240

**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.

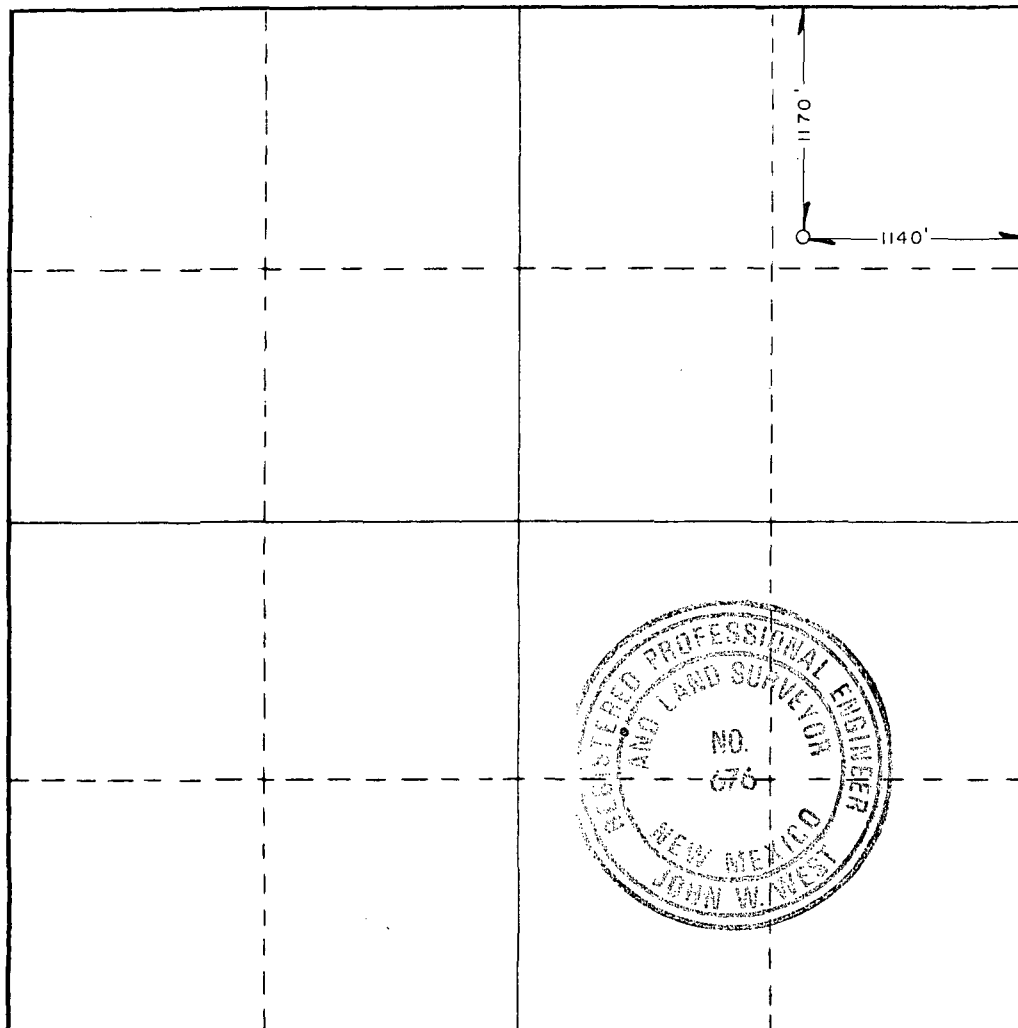
Operator ARCO OIL & GAS COMPANY			Lease SEVEN RIVERS QUEEN UNIT		Well No. 69
Unit Letter A	Section 34	Township 22 SOUTH	Range 36 EAST	County LEA	
Actual Footage Location of Well: 1170 feet from the NORTH line and 1140 feet from the EAST line					
Ground Level Elev. 3511.0'	Producing Formation Seven Rivers/ Queen		Pool South Eunice		Dedicated Acreage: 40.0 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 Unitization

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.

Cindy W. Ellis

Name
Cindy W. Ellis

Position
Engineer

Company
ARCO Oil & Gas Co.

Date
December 6, 1985

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
DECEMBER 3, 1985

Registered Professional Engineer and/or Land Surveyor

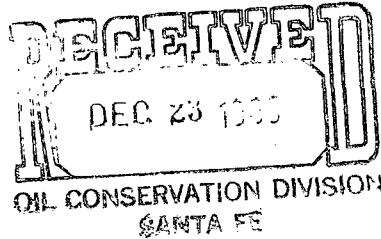
John W. West

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0363

Stephen G. Suellentrop
District Engineer



CERTIFIED RETURN RECEIPT REQUESTED

December 6, 1985

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88240

Attached is a copy of ARCO Oil and Gas Company's Application for Administrative Approval of Unorthodox Locations on our Seven Rivers Queen Units #69 and #71. These locations are necessary for infill drilling on 20 acre spacing. If you have no objection, please sign the waiver at the bottom of this letter and mail it to the New Mexico Oil Conservation Division in the attached envelope. Also, please return one copy to me. Thank you for your consideration.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Stephen G. Suellentrop".

Stephen G. Suellentrop
District Engineer

SGS:CWE:tis

Attachment

WAIVER APPROVAL:

A handwritten signature in cursive script, appearing to read "J. Howell". Below it, the words "for Marathon Oil Company" and "District Engineer" are written in a similar cursive style.

12/16/85
Date