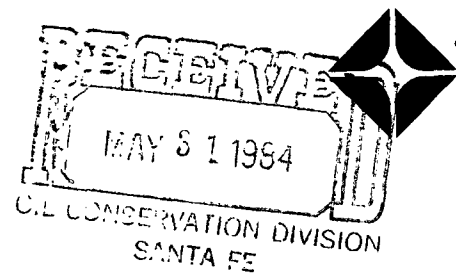


ARCO Oil and Gas Company  
Permian District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 684 0100



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 ~~N/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~~ <sup>80</sup>-acre lease. A ~~120~~ <sup>80</sup>-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.

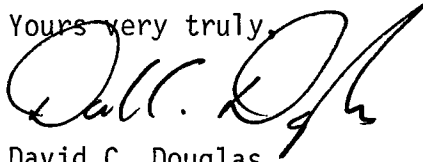
The proposed non-standard proration unit consists of contiguous quarter-quarter sections and lies wholly within a single governmental section. The entire proposed unit may be reasonably presumed to be productive of gas. The length of the unit does not exceed 5280 feet.

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 dark 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

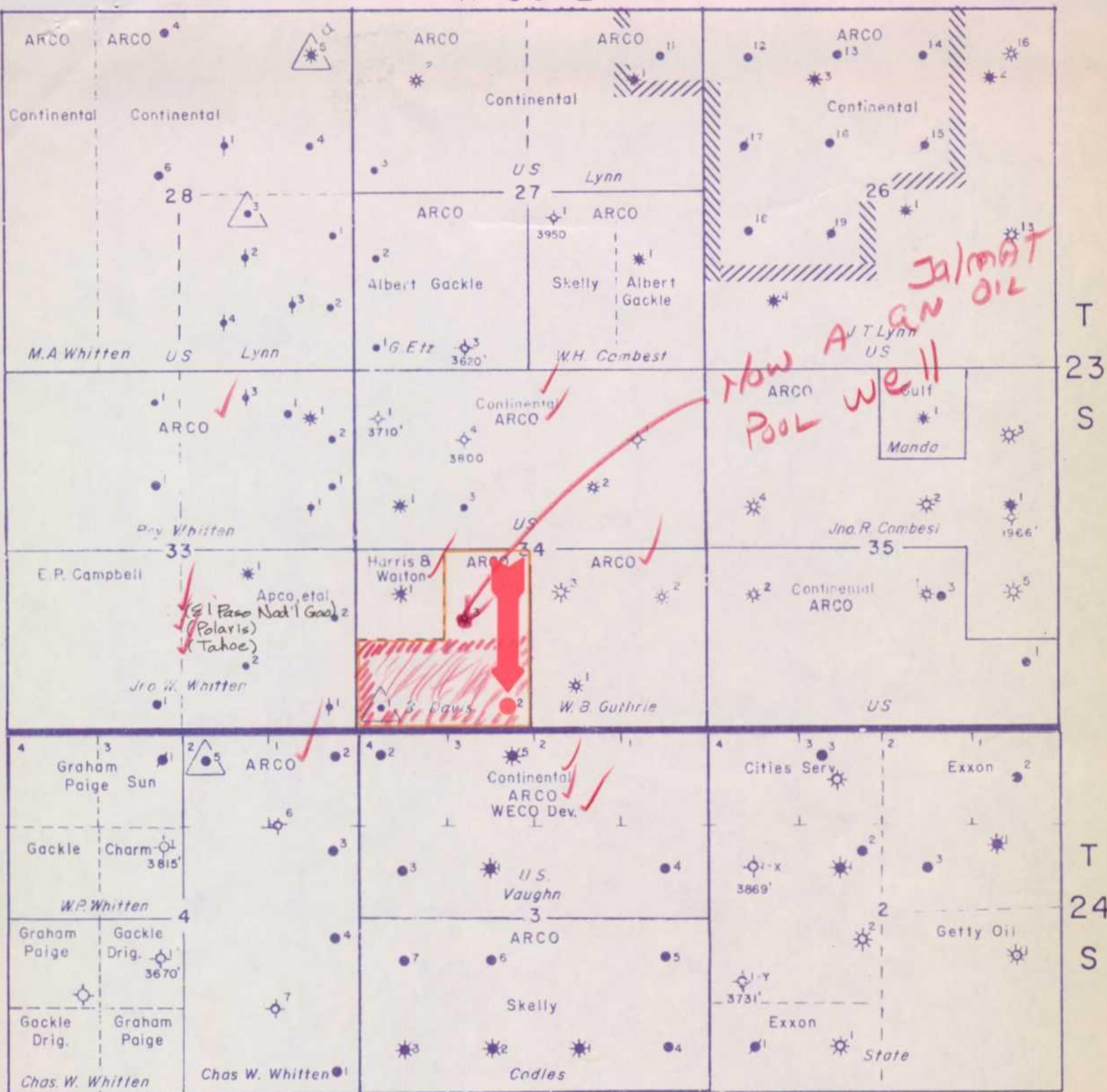
Harris and Walton  
Box 187  
Midland, Texas 79702

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

R 36 E

T  
23  
ST  
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	Check No:	

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

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

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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

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

Attention: Mr. J. L. Tweed

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

Administrative Order NSP-1267

Gentlemen:

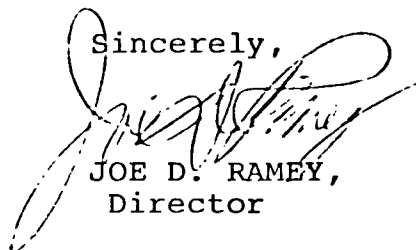
Reference is made to your application for a 120-acre non-standard proration unit consisting of the following acreage in the Jalmat Gas Pool:

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

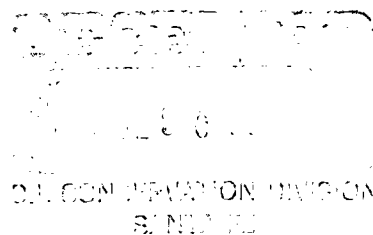
**ARCO Oil and Gas Company**

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.

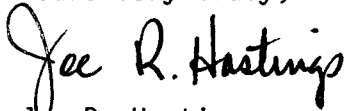
The B. Davis #2 was drilled in 1940 as a Langlie Mattix (Queen) oil well. The B. Davis #2 made 470 MBO between 1940 and depletion in October, 1983, at which time production was 3 BOPD, 1000 BW and 0 MCFG. Since October, 1983, recompletion attempts have included perforating a Jalmat oil zone at 3300' 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,

A handwritten signature in cursive script that reads "Joe R. Hastings".

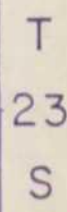
Joe R. Hastings  
District Engineer

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	Eng No	

## OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088  
SANTA FE, NEW MEXICO 87501Form C-102  
Revised 10-1-78

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

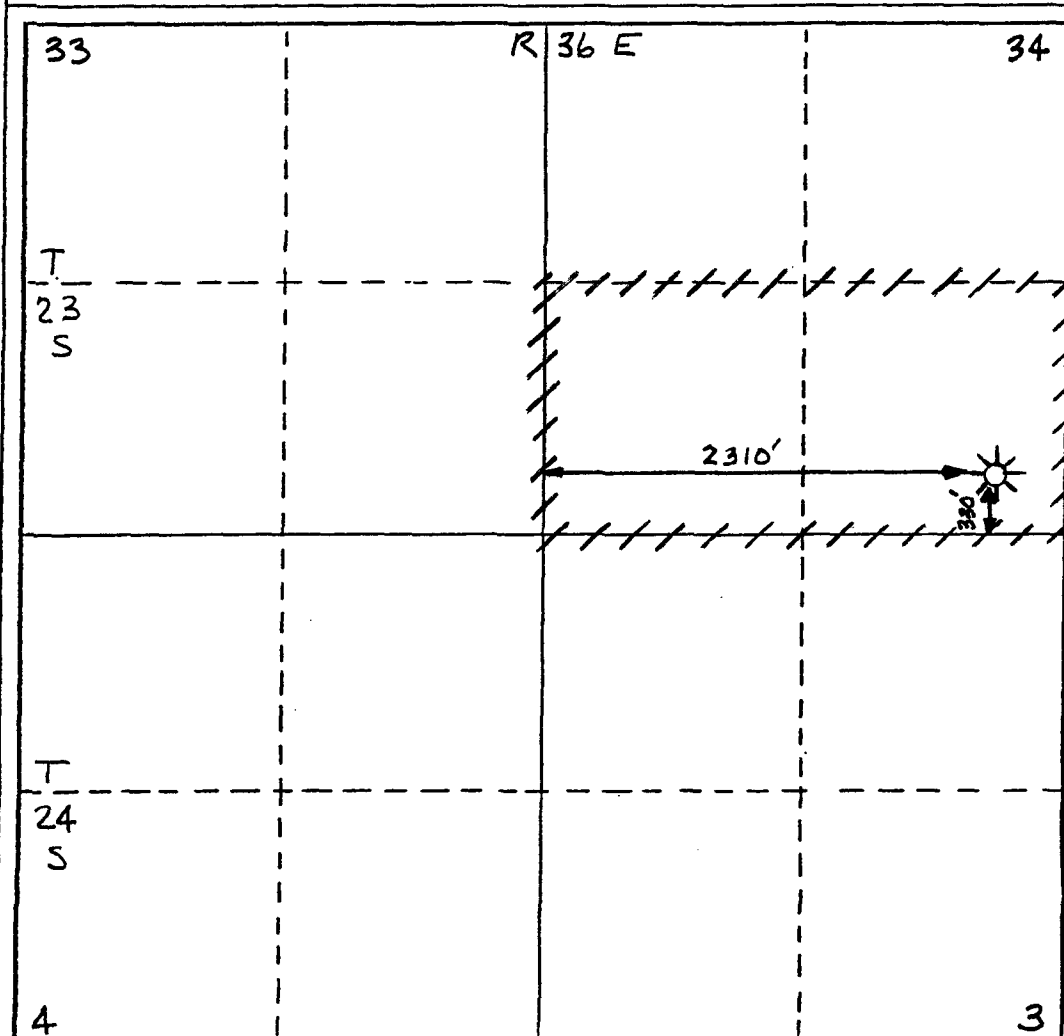
Operator ARCO Oil and Gas Co.			Lease B. Davis			Well No. 2		
Unit Letter N	Section 34	Township 23S	Range 36E	County Lea				
Actual Footage Location of Well: 330 feet from the South line and 2310 feet from the West line								
Ground Level Elev. 3392' DF		Producing Formation Tansill-Yates-Seven Rivers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