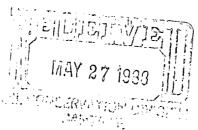
ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200





May 23, 1988

New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501-2088

Attention: Mr. Michael Stogner

RE: Application for Non-Standard Proration Unit

McDonald State WN #31

Jalmat Gas Pool

Dear Mr. Stogner:

Per your request in our telephone conversation on May 20, 1988, I have attached the return receipts from the offset operators who received a copy of our application for a non-standard proration unit for our McDonald State WN #31. You also asked if ARCO has documentation of the simultaneous dedication of Section 14 T22S R36E as a 640 acre proration unit for the McDonald State WN wells Nos. 11, 27 and 28. I have attached a letter from Joe D. Ramey of the Oil Conservation Commission dated June 18, 1976 which granted administrative approval for this proration unit. This is the only reference to this matter that we could find in our files.

Please let me know if there is any additional information that we can provide to expedite approval of ARCO's request for formation of a 160 acre non-standard proration unit for our McDonald State WN #31 and formation of a 480 acre marginal multi-well unit for the McDonald State WN well Nos. 11, 27 and 28.

Sincerely,

D. J. Hartman Area Engineer

DJH: jee



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 SANTA FE 87501

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

June 18, 1976

Atlantic Richfield Company P. O. Box 1610 Midland, Texas 79701

Attention: Mr. Jerry L. Tweed

Gentlemen:

Administrative approvel is hereby granted to dedicate Section 14, Township 22 South, Range 36 East, Lea County, New Mexico, a 640-acre proration unit in the Jalmat Gas Pool, to your McDonald State WN Wells Nos. 11, 27, and 28.

McDonald State Well No. 28 is to be drilled 2310 feet from the North line and 2310 feet from the West line of said Section 14.

Very truly yours

Secretary-Director

JDR/JEK/dr

cc: Jerry Sexton, Oil Conservation
 Commission - Hobbs
Ms. Celia Roybal, OCC, Santa Fe
Well Files 11, 27, 28
Case File 5437

P. 699 088 848 Type of Service: Registered COD P. 0. Box	CONOCO , Inc. CONOCO
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* U.S.Q.P.O. 1987-178-268

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SENDER: Complete Items 1 and 2 when additional services are dealed, and complete Items 3 and 4.

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1. Show to whom delivered, sett, and addresses address.

2. Restricted Delivery (Extra charge)!

4. Article Number

P. 0. Box 552

Marathon 0il Company

P. 0. Box 552

Midland, TX 79702

Always obtain signature of addresses
or agent and DATE DELIVERED.

Signature - Addresses

8. Addresses's Address (ONLY if requested and fee paid)

7. Darfe of Delivery

7. Darfe of Delivery

* U.S.Q.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

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





April 21, 1988

CVATION DIVIDION

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

RE: Application for Non-Standard Proration Unit McDonald State WN #31 NE/4 Sec. 14, T22S, R36E, Unit Letter A

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval to form a 160 acre non-standard proration unit consisting of the northeast quarter of Section 14, T22S, R36E as per the requirements of Rule 104 D II. All of Section 14 (640 acres) is currently dedicated as a marginal multi-well unit to the McDonald State WN #11, 27, and 28. We ask that this multi-well unit be contracted to include 480 acres being the west half of Section 14 (320 acres) and the southeast quarter of Section 14 (160 acres). The attached Form C-102 identifies the proposed acreage dedication.

ARCO Oil and Gas 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 Jalmat gas reserves from the subject acreage.

ARCO Oil and Gas Company plans to drill the McDonald State WN #31 in May, 1988, at a standard Jalmat gas well location, no closer than 660 feet from the lease line or 330 feet from the governmental quarter-quarter section line. Appropriate permit applications will be filed separately. ARCO is notifying the offset operators of this application by certified mail and is asking for a waiver of objection.

Thank you for your consideration.

Very truly yours,

D. J. Hartman Area Engineer

DJH:CWE:jee

Mr. William J. LeMay April 21, 1988 Page two

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

> Sun Oil Company P. O. Box 1861 Midland, TX 79702

Marathon Oil Company P. O. Box 552 Midland, TX 79702

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

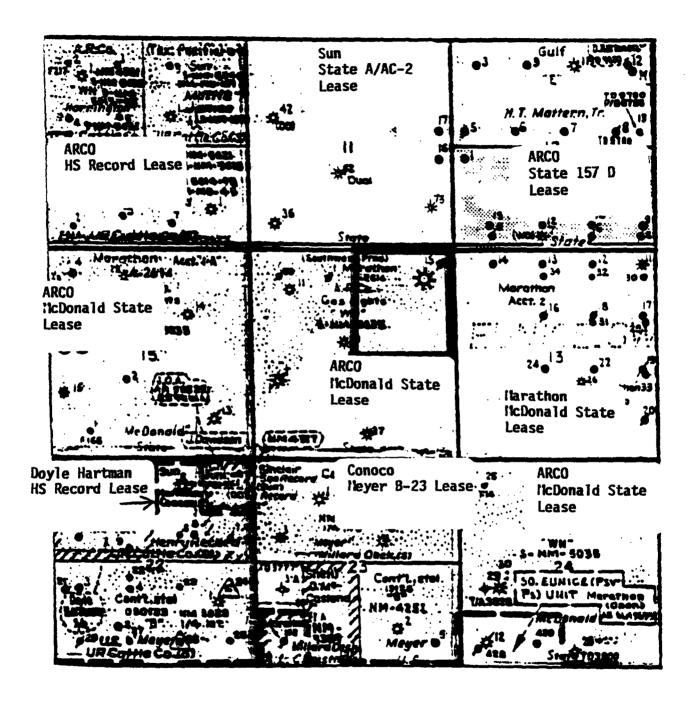
Doyle Hartman P. O. Box 10426 Midland, TX 79702

Waiver to Objection Non-Standard Proration Unit Request McDonald State WN #31 - ARCO Oil and Gas Company, Operator Jalmat Gas Pool NE/4 Sec. 14, T22S, 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 160-acre non-standard proration unit for the McDonald State WN #31, a proposed Jalmat gas producer.

Signed:	
Company:	
Date:	

ARCO Oil & Gas Company
McDonald State WN #31
Application for Non-Standard Proration Unit
NE/4 Sec 14, T22S, R36E (160 ac)
Lea County, New Mexico



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

Form C-102 Revised 10-1-78

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

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Operator			Lec				Well No.
ARCO Oil and				McDonald State			27, 28
J	ection	Township		Range	County		
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Actual Footage Location	on of Well: #11	: 990' FI	NL & 990' FW	IL; #27: 660'	FSL & 231	O' FEL;	#28: 2310' FNL & 2310
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2310'	- +	#28		160 ac	res	Cindy Position Senior Company ARCO 0	W. Ellis Engineer il and Gas Company 21, 1988
660' #1	P & A'd	480 ac Multi-	ld State WN	 	-	shown on notes of under my is true o	certify that the well location this plat was platted from field actual surveys made by me or supervision, and that the same and correct to the best of my e and belief.
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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

Form C-102 Revised 10-1-78

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

Operator	Lease	Weil No.					
ARCO Oil and Gas Company	McDonald State WN	11, 28					
Unit Letter Section Township	Range County						
D, F, O 14 22S	36E Lea						
Actual Footage Location of Well: #11: 990' FNL & 99)' FWL; #27: 660' FSL & 2310' FEL;	#28: 2310' FNL & 2310'					
feet from theline œ		line FWL					
Ground Level Elev. Producing Formation	Pool	Dedicated Acreages					
Yates/Seven Rivers	Jalmat Gas	480 Acres					
1. Outline the acreage dedicated to the subject	well by colored pencil or hechuse marks on	the slee below					
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9 If your than and lease is dedicated to the w	2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working						
	en, outline each and identity the ownership	thereof (both as to working					
interest and royalty).							
2. If were then are least of different awareship is dedicated to the well, have the interests of all awares have a series							
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consoli-							
dated by communitization, unitization, force-pooling.etc?							
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Tes 110 It answer to yes, type	of consolidation						
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If answer is "no," list the owners and tract de	amibrious water uses settistly been cousoit	saled. (Use reverse Side of					
this form if necessary.)	11.6						
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forced-pooling, or otherwise) or until a non-stand	ard unit, eliminating such interests, has bee	n approved by the Division.					
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 + 	Name (11 5334-					
	. 1	W. Ellis					
	160 acres Position						
	Senio	Engineer					
	Company						
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	Dune						
	April	21, 1988					

Section 14							
McDonald Stat	e WN leade	certify that the well location					
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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

Form C-102 Revised 10-1-78

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

Operator		Lease	Well No.				
ARCO Oil and Gas	Company	McDonald State WN	11, 27,				
Unit Letter Section	Township	Range County					
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Actual Footage Location of W	#11: 990' FNL & 990	' FWL; #27: 660' FSL & 2310	D' FEL; #28: 2310' FNL & 2310'				
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Ground Level Elev. Pro	Vator/Soven Pivons	Pool	Dedicated Acreages				
	Yates/Seven Rivers Jalmat Gas 480 Acres						
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2. If more than one	lease is dedicated to the we	ll, outline each and identify the o	wnership thereof (both as to working				
interest and royalt			•				
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consoli-							
dated by communitization, unitization, force-pooling.etc?							
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OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO 87501

Form C-102 Revised 10-1-78

P. O. BOX 2088 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

90 1320 1680 1880 2310 - 2640

	All dist	nces must be from	the outer boundaries of	the Section.		
Operator		Lec	280		Well No.	
ARCO Oil and G	as Company	1	McDonald State	WN	31	
Unit Letter Secti	on Township		Range	County		
Α (14	22S	36E ·	Lea		
Actual Footage Location of Well: 660 feet from the north line and 660 feet from the east line						
Ground Level Elev.	Producing Formation	Poo		it from the	Dedicated Acreages	
NA	Yates/Seven	Rivers	Jalmat Gas		160 Acres	
	reage dedicated to the	_	•			
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forced-pooling,	or otherwise) or until a	non-standard un		th interests, has bee	n approved by the Division. CERTIFICATION	
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2310'	#28	160 acr	be at a standard es location	Cindy Position Senio Company ARCO Date April	W. Ellis r Engineer Oil and Gas Company 21, 1988	
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1980		#27 660 '	2310'	11	iyed I Protossianal Engineer nd Surveyor	
<u> </u>	<u></u>	<u> </u>		Certificate		



Production Department Hobbs Division North American Production CIL CONSERVATION DIVISION SATIONE

Conoco Inc. P.O. Box 460 726 East Michigan Hobbs, NM 88240 (505) 393-4141

May 9, 1988

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

Attention William J. LeMay

Gentlemen:

Application for Non-Standard Proration Unit, McDonald State WN #31 - ARCO Oil & Gas Company

Conoco Inc. has approved, as offset operator, ARCO's request for the subject well. One copy of our approval is attached for your file. One copy is being returned to ARCO.

Yours very truly,

H. A. Ingram

Conservation Coordinator

/tm

cc: ARCO Oil & Gas Company

P.O. Box 1610

Midland, TX 79702 Attention D. J. Hartman

Waiver to Objection

Non-Standard Proration Unit Request
McDonald State WN #31 - ARCO Oil and Gas Company, Operator
Jalmat Gas Pool
NE/4 Sec. 14, T22S, 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 160-acre non-standard proration unit for the McDonald State WN #31, a proposed Jalmat gas producer.

Signed:

Company:

Conoco Inc.

Date:

May 9, 1988

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 5437 Order No. R-4984

APPLICATION OF ATLANTIC RICHFIELD COMPANY FOR TWO UNORTHODOX WELL LOCATIONS AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 5, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of March, 1975, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Atlantic Richfield Company, is the operator of two 320-acre non-standard gas proration units comprising the N/2 and S/2, respectively, of Section 14, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
- (3) That the applicant seeks to form a standard 640-acre gas proration unit consisting of All of said Section 14 and to dedicate, thereto, its McDonald State WN Well No. 11 and Well No. 27 located at unorthodox gas well locations in Units D and O, respectively, of said Section 14.
- (4) That the applicant further seeks to produce the unit allowable from either of said McDonald State WN Wells Nos. 11 and 27 in any proportion.

- (5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool and will otherwise prevent waste and protect correlative rights.
- (6) That the appropriate portion of Commission Order No. R-4716 and Order No. R-4795 should be superseded.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Atlantic Richfield Company, is hereby authorized two non-standard gas well locations for its McDonald State WN Wells Nos. 11 and 27 located, respectively, in Unit D and Unit O of Section 14, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
- (2) That effective at 7:00 a.m. April 1, 1975, the applicant is hereby authorized to simultaneously dedicate a standard 640-acre gas proration unit comprising all of said Section 14 to said McDonald State WN Wells Nos. 11 and 27 with unit production to be taken from said wells in any proportion.
- (3) That the portion of Commission Order No. R-4716 relating to the N/2 of Section 14, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and Order No. R-4795 are hereby superseded.
- (4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

PHAL R. LUCERO, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

dr/