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

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April 21, 1988

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

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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:

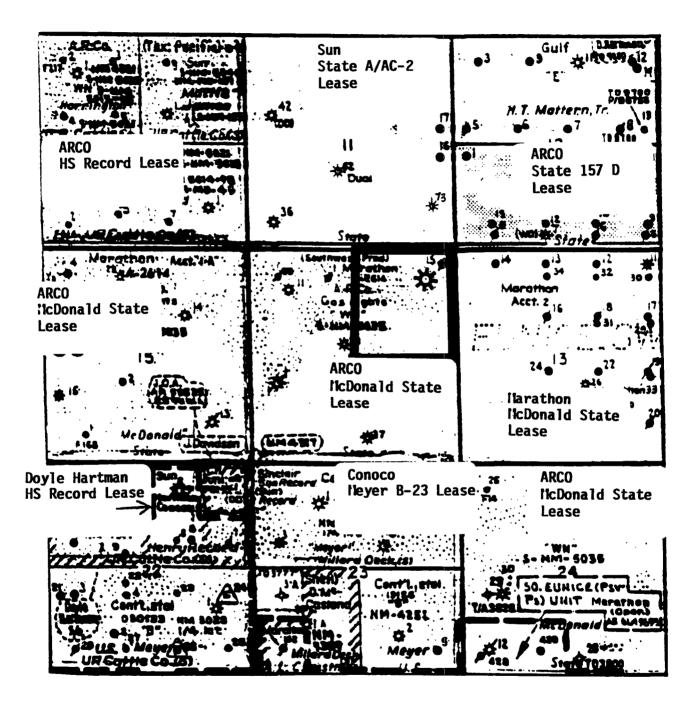
Company:

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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

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

Form C-102 Revised 10-1-78

|  | A11  | distances must be f   | rom the outer boundar                               | ies of the Section | <b>.</b>   |   |
|--|--|---|---|--------------------|--|---|
| Operator   |  |   | Lease   |                    |  | Well No.  |
| ARCO 011 and G   |  |   | McDonald S  | tate WN            |  | 11, 27, 28  |
| Unit Letter Sect                                       |  | · •   | Range   | County             |  |   |
| D, F, 0 1  |  | 225   | 36E   |                    | ea   |   |
|  | t from the   | )' FNL & 990'<br>line and   |   | 0' FSL & 23        | 10' FEL; #   | #28: 2310' FNL & 2310'  |
| Ground Level Elev.                                     | Producing Formation<br>Yates/Se  | even Rivers   | P∞ı<br>Jalm   | at Gas             |  | Dedicated Acreage:<br>480 Acres   |
|  | reage dedicated to<br>one lease is dedic                               |   |   |                    |  | e plat below.<br>hereof (both as to working   |
| interest and ro<br>3. If more than or<br>dated by comm | yalty).<br>e lease of differen<br>unitization, unitiza<br>No If answer | nt ownership is o<br>ation, force-pooli<br>is "yes," type o           | dedicated to the v<br>ng. etc?<br>f consolidation _ | well, have the     | interests of   | all owners been consoli-  |
| this form if nec<br>No allowable w                     | essary.)<br>ill be assigned to   | the well until all  | interests have b                                    | een consolida      | ted (by com  | ated. (Use reverse side of<br>munitization, unitization,<br>approved by the Division.   |
| 990 '  | 2310   | Marathon<br>Arrowhea  | 1   | Proposed<br>#31    | tained her   | CERTIFICATION<br>ertify that the information con-<br>rein is true and complete to the<br>knowledge and belief.  |
| 2310'  |  |   |   | acres              | Position<br>Senior<br>Company<br>ARCO Oi<br>Duie               | N. Ellis<br>Engineer<br>il and Gas Company<br>21, 1988  |
| 660'#1 P   | / Mcl<br>& A'd 480<br>/ Mu   | ction 14<br>Donald State<br>D acres<br>Iti-well Unit<br>Il #11, 27, & | 1   |                    | l hereby<br>shown an<br>nates of a<br>under my s<br>is true ar | certify that the well location<br>this plat was pletted from field<br>actual surveys made by me or<br>supervision, and that the same<br>nd correct to the best of my<br>and belief. |
| 1980'  |  | #27<br>**<br>660 '  | 2310'   |                    | Date Surveye<br>Registered F<br>and/or Land                    | Prolossional Engineer   |
|  |  |   | 0000 0021   |                    | Certificate N  | 10.   |

| ` S    | TATE O | F NEW  | MEXICO     |
|--------|--------|--------|------------|
| ENERGY | AND MI | NERALS | DEPARTMENT |

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

Form C-102 Revised 10-1-78

|   | <u></u>   | All distances mu   | ast be from the out  | er boundaries c   | of the Section.  |  | · · · · · · · · · · · · · · · · · · ·  |
|---|---|--|--|---|--|--|--|
| Operator  |   | Lease  | -  |   |  | Well No.   |  |
| ······································  | 0 Oil and Gas Company   |  |  | nald State  |  |  | 11, 27, 28   |
| Unit Letter Sec   |   | Township   | Range  |   | County   |  |  |
|   | 4   | 22S  |  | <u>36E</u>  | Lea  |  |  |
|   | π11.<br>at from the   |  | 990'FWL;#  |   | FSL & 231(   | )' FEL; #  | 28: 2310' FNL & 2310   |
| Ground Level Elev.  | Producing Fon   | mation<br>es/Seven Rive  | Pool   | 1-1   | 0  |  | Dedicated Acreage:   |
|   | Tale  | es/seven kive  | rs   | Jalmat  | Gas  |  | 480  |
| interest and ro<br>3. If more than or<br>dated by comm<br>Yes<br>If answer is "<br>this form if new<br>No allowable w | one lease is<br>oyalty).<br>ne lease of di<br>nunitization, u<br>No If an<br>no;' list the o<br>cessary.)<br>vill be assigned | dedicated to th<br>ifferent ownersh<br>nitization, force<br>iswer is "yes," to<br>owners and tract<br>ed to the well un<br>or until a non-st | e well, outline<br>ip is dedicated<br>-pooling.etc?<br>type of consolio<br>t descriptions w<br>til all interests | each and id<br>to the well,<br>dation<br>which have a<br>shave been<br>iminating su | entify the or<br>, have the in<br>actually been<br>consolidate | wnership th<br>aterests of<br>a consolida<br>d (by coma<br>, has been                | all owners been consoli-<br>ated. (Use reverse side of<br>munitization, unitization,<br>approved by the Division.<br>CERTIFICATION   |
| 990'  | <br>1<br>1<br>1<br>1<br><br>1<br>1  | 2310'  |  | *   |  | toined her<br>best of my<br>WWY,<br>Name<br>Cindy W<br>Position<br>Senior<br>Company | ein is true and complete to the<br>knowledge and belief.<br>Wellts<br>N. Ellis<br>Engineer   |
| 2310'   | 1<br>1 i  | #28  | 1  |   |  | ARCO Oi  | 1 and Gas Company  |
|   | 1   |  | i  |   | 11   | Duie<br>April 1  | 21, 1988   |
| <u>660'</u> #1 P  | 1<br>1<br>84 A'd<br>1<br>1<br>1<br>1  | Section 14<br>McDonald St<br>480 acres<br>Multi-well<br>Well #11, 2  |  | e   |  | l hereby<br>shawn an<br>nates of a<br>under my s<br>is true ai                       | certify that the well location<br>this plat was plotted from field<br>actual surveys made by me or<br>supervision, and that the same<br>and correct to the best of my<br>and belief. |
| <b>–</b> 1–   | :   | #27  | 1  |   | 1  | Date Survey  |  |
|   | 1   | 1#2/   |  |   |  | 2-10 341 dy  | -  |
| 0861  | 1   |  | 23   | 10'   |  |  |  |
| 1980  |   | *  | 660' I   |   |  | Registered F<br>and/or Land  | rolossional Engineer<br>Surveyor   |

STATE OF NEW MEXICO

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

Form C-102 Revised 10-1-78

|   |   | All distan  | ces must be f   | rom the oute   | r boundaries  | of the Section   |  |   |
|---|---|---|---|--|---|--|--|---|
| Operator  |   |   | Lease   |  |   | Well No.   |  |   |
|   | CO Oil and Gas Company  |   |   | McDonald State WN  |   |  | 11, 27, 28   |   |
| Unit Letter Sect  |   | Township  |   | Range  |   | County   |  |   |
| D, F, 0 1   |   | 22S   |   |  | 36E   | the second s | ea   |   |
| The second se       | t from the  |   | IL & 990'   | FWL; #2  |   | FSL & 23   | 10' FEL;   | #28: 2310' FNL & 2310   |
| Ground Level Elev.  | Producing For   | es/Seven  | Divona  | Pool   | 1-1+  | <b>C</b>   |  | Dedicated Acreage:  |
|   | 1   |   | KIVEIS  |  | Jalmat  | uds  |  | 480 Acres   |
| interest and ro<br>3. If more than or<br>dated by comm<br>Yes<br>If answer is "<br>this form if neo<br>No allowable w | one lease is<br>yalty).<br>he lease of d<br>unitization, u<br>No If an<br>no?' list the<br>cessary.)<br>ill be assigned | dedicated<br>ifferent own<br>nitization,<br>nawer is "y<br>owners and<br>ed to the wo | to the well<br>nership is o<br>force-pooli<br>res,' type o<br>tract desc<br>ell until all | l, outline<br>dedicated<br>ng. etc?<br>f consolid<br>riptions w<br>interests<br>d unit, elin<br>-McDonal | each and id<br>to the well<br>ation<br>hich have a<br>have been<br>ninating su<br>d St. 4 | have the<br>, have the<br>actually be<br>consolidation<br>interest   | ownership the interests of en consolidated (by comtiss, has been to be in the second s | he plat below.<br>hereof (both as to working<br>all owners been consoli-<br>ated. (Use reverse side of<br>munitization, unitization,<br>approved by the Division.<br>CERTIFICATION<br>certify that the information con-<br>rein is true and complete to the |
| 990' <b>**</b> #  | <br> 1<br>  | -01E7   |   | <br>                | Pro<br>#31<br>160 ac  |  | Norme<br>Cindy<br>Position<br>Senior<br>Company<br>ARCO O<br>Dure  | y knowledge and belief.<br>W. Ellis<br>Engineer<br>il and Gas Company<br>21, 1988   |
| 660'#1 P  |   | 480 acr<br>Multi-w<br>Well #1   | d State<br>res<br>well Unit<br>1, 27, &<br>427<br>427<br>660'                             | l<br>l   |   |  | l hereby<br>shown on<br>notes of<br>under my<br>is true a<br>knowledge<br>Date Survey  | certify that the well location<br>this plat was platted from field<br>actual surveys made by me or<br>supervision, and that the same<br>nd correct to the best of my<br>a and belief.<br>ed<br>Prolossional Engineer  |
| ····  | <u> </u>  | <u>un</u>   | <u>ihu</u>  | <u> </u>   |   | <u>LLLL</u>  | Certificate I  | No.   |
| · · · · · · · · · · · · · · · · · · ·   | 1 1 1   |   | 2003  |  |   |  | 1  |   |

STATE OF NEW MEXICO

## 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 bound | eries of the Section.    |                    |       |
|-------------------|-----------------------|------------------------|----------------------|--------------------------|--------------------|-------|
| Operator          |                       |                        | Lease                |                          | Well No.           |       |
| ARCO 0il a        | and Gas Compa         | ny                     | McDonald S           | tate WN                  | 31                 |       |
| Unit Letter       | Section               | Township               | Range                | County                   |                    |       |
| Α                 | 14                    | 22S                    | 36E                  | Lea                      |                    |       |
| Actual Footage La | ocation of Well:      |                        |                      |                          |                    |       |
| 6                 | 60 feet from the      | north line and         | 660                  | feet from the east       | line               |       |
| Ground Level Elen | v. Producing I        | Formation              | Pool                 |                          | Dedicated Acreage: |       |
| NA                | NA Yates/Seven Rivers |                        |                      | as                       | 160                | Acres |
| 1. Outline        | the acreage dedi      | cated to the subject w | ell by colored p     | encil or hachure marks o | n the plat below.  |       |

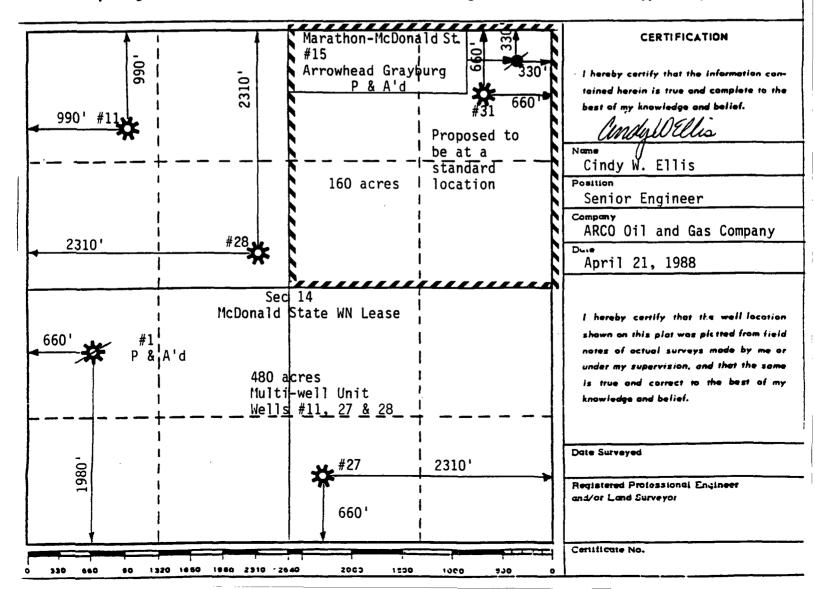
- 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

T 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.





| <b>Production Department</b><br>Hobbs Division<br>North American Product |                        |
|--|------------------------|
|  | MAY 1 2 1983           |
|  | CH_COMSERVATION DAUGHT |

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:

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Date: <u>May 9, 1988</u>

Conoco Inc.

#### 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 <u>llth</u> 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 640acre 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.

-2-Case No. 5437 Order No. R-4984

That approval of the subject application will afford (5) 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.

That effective at 7:00 a.m. April 1, 1975, the (2) 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.

That the portion of Commission Order No. R-4716 (3) 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.

That jurisdiction of this cause is retained for (4) 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

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

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