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March 1, 1985

HAND DELIVERED

R. L. Stamets, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

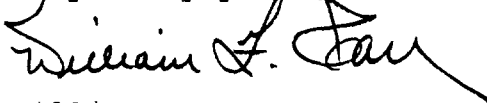
Re: Application of Arco Oil and Gas Co. for Amendment of  
Order No. R-638-B, Lea County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Arco Oil and Gas Co. in the above-referenced case. Arco Oil and Gas Co. respectfully requests that this matter be included on the docket for the March 13, 1985 examiner hearings.

Your attention to this request is appreciated.

Very truly yours



William F. Carr

WFC/cv  
enclosures

cc: Mr. Craig Payken

BEFORE THE OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION  
OF ARCO OIL AND GAS CO. FOR AMEND-  
MENT OF ORDER NO. R-638-B, LEA  
COUNTY, NEW MEXICO.

Case No. \_\_\_\_\_

APPLICATION

Comes now, ARCO OIL AND GAS CO., through its undersigned attorneys, and hereby applies for an order amending Division Order No. R-638-B, which promulgated special pool rules for the South Knowles-Devonian Pool, Lea County, New Mexico by abolishing the requirement for standup spacing units to consist of the E/2 or the W/2 of each quarter section, and in support thereof states:

1. On September 15, 1956, the Oil Conservation Commission entered Order No. R-638-B in Case 819, which provided for 80-acre spacing or proration units in the South Knowles-Devonian Pool, said units to consist of the E/2 or the W/2 of each governmental quarter section.

2. The South Knowles-Devonian Pool was developed during the mid-1950 s with some sporadic additional development during the mid-1970 s.

3. Arco Oil and Gas Co. has recently drilled and completed its RF Fort No. 1 Well at a location 2,310 feet from the South line and 330 feet from the West line of Section 24, Township 17 South, Range 38 East, South Knowles-Devonian Pool, Lea County, New Mexico, and has plans for additional drilling in the area.

4. The current development is on the edge of the structure, and deletion of the special spacing requirements set out in Rule 1 of Order R-638-B will provide greater flexibility to Arco Oil and Gas Co. and other interest owners in developing the remaining locations.

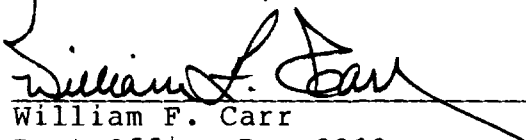
5. Granting this application will result in more efficient development of the South Knowles-Devonian Pool, will prevent waste, and will not impair the correlative rights of any operator in the area.

WHEREFORE, applicant requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on March 13, 1985, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
(505) 988-4421

ATTORNEYS FOR ARCO OIL AND GAS  
CO.