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March 28, 2002

HAND-DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
   Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

(30-015-30338)

Re: Application of ARCO (BP) for Administrative Approval of an Non-Standard Gas Spacing Unit for its Sweet Thing Federal Well Nos. 2 and 5, comprised of 233.79 acres in irregular Section 31, Township 20.5 South, Range 22 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Wrotenbery:

ARCO (BP) hereby seeks administrative approval pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, of a non-standard gas spacing and proration unit in the Morrow formation, Little Box Canyon-Morrow Gas Pool for its Sweet Thing Federal Wells No. 2 and 5 to be comprised of Irregular Section 31, Township 20.5 South, Range 22 East, N.M.P.M., Eddy County, New Mexico, which contains 233.79 acres. By separate application (Oil Conservation Division Case No. 12788) ARCO (BP) is seeking authority to simultaneously dedicated these wells to this non-standard gas spacing unit. Although the Sweet Thing Federal Well No. 2 was previously drilled by a prior operator and currently produces from the Morrow formation, this non-standard unit appears to never have been approved by the Division.

This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. Due to the size of the variation from a standard gas unit, Rule 104.D (2) provides for this application to be filed with the Division's Santa Fe Office.