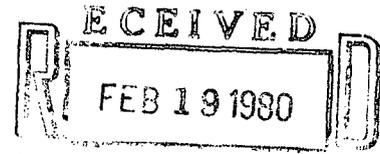


ARCO Oil and Gas Company
Rocky Mountain District
717-17th Street
Mailing address: P.O. Box 5540
Denver, Colorado 80217
Telephone 303 575 7031
W. A. Walther, Jr.
Operations Manager

*NSL-1161
Rule 3 R-1670-V
3-10-80*



February 13, 1980



OIL CONSERVATION DIVISION
SANTA FE

Mr. Joe D. Ramey, Secretary-Director
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Krause WN Federal Number 8E
1595' FNL & 2170' FWL
Section 29-28N-11W
San Juan County, New Mexico

Basin - Dakota Pool

Dear Mr. Ramey:

Application is hereby made to the Oil Conservation Commission of the State of New Mexico requesting a waiver of Rule 104.

The referenced well was restaked as per a request from the United States Geological Survey and the Bureau of Land Management when the original location was inspected.

Enclosed is a copy of the certified letter sent to the offset operator requesting their approval to this unorthodox location. A fully executed copy will be forwarded to your office when received. Also enclosed is a location plat and a topographic map showing the location.

Your earliest approval of this application will be greatly appreciated.

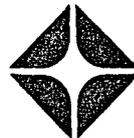
Very truly yours,

W. A. Walther, Jr.
W. A. Walther, Jr.
Operations Manager

Encl.

cc: Oil Conservation Commission - Aztec, New Mexico
United States Geological Survey - Farmington, New Mexico

ARCO Oil and Gas Company
Rocky Mountain District
717-17th Street
Mailing address: P.O. Box 5540
Denver, Colorado 80217
Telephone 303 575 7031
W. A. Walther, Jr.
Operations Manager



February 13, 1980

Mr. A. M. Roney
Amoco Production Company
Security Life Building
Denver, Colorado 80202

Certified Mail
Return Receipt Requested

Re: Krause WN Federal Number 8E
1595' FNL & 2170' FWL
Section 29-28N-11W
San Juan County, New Mexico

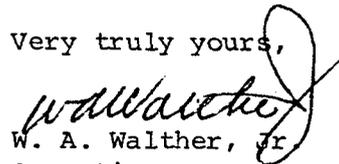
Dear Mr. Roney:

ARCO Oil and Gas Company, Division of Atlantic Richfield Company, requests your consent and approval of the referenced well at the stated location and as more fully shown on the attached plat.

Pursuant to the Oil Conservation Commission of the State of New Mexico it is necessary to obtain the consent of all off set operators when an application has been filed for an unorthodox location. The stated location is located closer than 790 feet to the outer boundary of the quarter section, therefore making it an unorthodox location.

I would appreciate it if you would sign and date the consent and approval form contained in this letter, and return one executed and dated copy of the letter to me in the enclosed self addressed stamped envelope and keep the other copy for your records. If you have any objections or questions concerning this request, please call me at your earliest convenience.

Very truly yours,


W. A. Walther, Jr.
Operations Manager

Encl.

CONSENT AND APPROVAL

Amoco Production Company by its authorized signatory below, hereby consents to and approves of the drilling of the foregoing-described proposed well at the location indicated.

Dated this _____ day of _____, 1980

By: _____

Title: _____

All distances must be from the outer boundaries of the Section

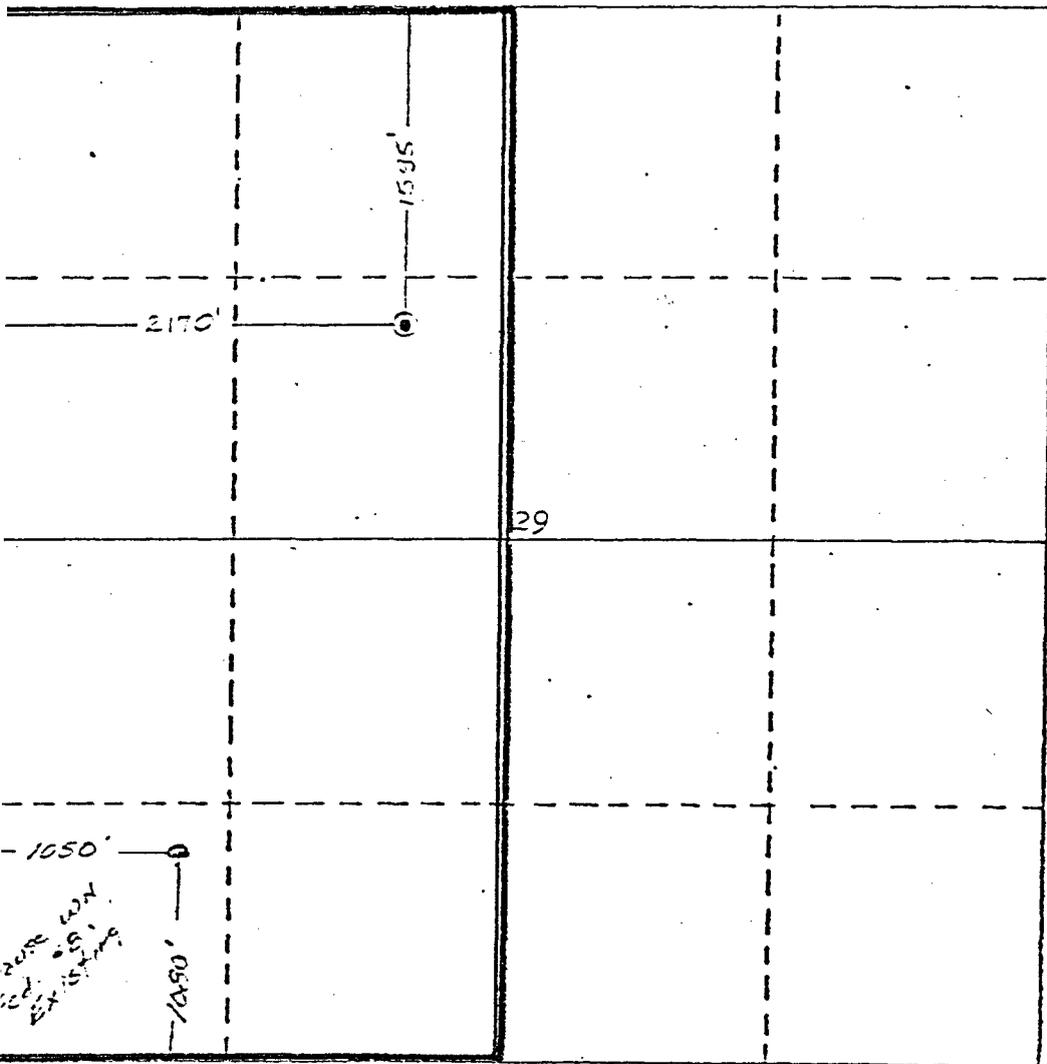
| | | | | |
|---|----------------------|-------------------------------------|-------------------------|-------------------------------|
| Lessee ARCO OIL & GAS COMPANY | | Lease KRAUSE WY FEDERAL | | Well No. 8-E |
| Letter | Section 29 | Township 28 NORTH | Range 11 WEST | County SAN JUAN |
| Location of Well: | | | | |
| 7595 feet from the NORTH line and | | 2170 feet from the WEST line | | |
| and Level Elev. 5750 | Producing Formation | | Pool Dakota | Dedicated Acres: Acres |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

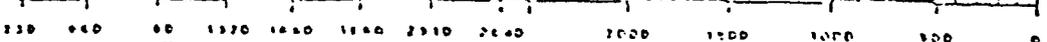
W. A. Walther, Jr.
W. A. Walther, Jr.
 Position
Operations Manager
 Company **ARCO Oil & Gas Company**
Div. of Atlantic Richfield Co

Date
1-15-80

Date Surveyed
December 21, 1979

Registered Professional Engineer
 and Land Surveyor
James P. Lees
James P. Lees

Certificate No.
1463



SALLEGOS CANYON UNIT
DAKOTA FORM
Amoco (Oper.)
ARCo 0.57%

R I I W

Lucerna-Fed.

Phillips

Amoco

Pioneer Prod.
"B"

Pioneer Prod.
"C"

19

T. L. Rhodes

20

Amoco

21

Pioneer Prod.
"D"

KRAUSE WN. FED.
Below bs. Pict. Cliff Fin.
ARCo. (Opr.) 49%

Pan Am
1-B

Rhodes

Lucerne

Amoco

ARCo.
NM-5-5011

ARCo.
NM-5-5011

MILE

29

28

30

KRAUSE R&G WN.
Sur. to bs. Pict. Cliffs Fm.
R&G (Opr.)
ARCo. 21.5%

T. L. Rhodes

Krause WN Fed.

Amoco

ARCo.
NM-5-5011

ARCo.
NM-5-5011

KRAUSE ORR WN.
Sur. to bs. Pict. Cliffs Fm.
R&G Drlg. (Opr.)
ARCo. 5.5% DR

31

32

33

Amoco

Krause WN-Fed.

Krause WN-Fed.

EXISTING
WELLS

KRAUSE WN FED.
WELL No. 8-E

EPNG

Aztec

T
28
N

T
27
N

4-C
(Ga)

3-B
Ga, D.

5

4

P08 5709086

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO

Mr. A. M. Roney Amoco
STREET AND NO.

Security Life Bldg.
P.O. STATE AND ZIP CODE

Denver, Colorado 80202

POSTAGE

\$

CERTIFIED FEE

¢

SPECIAL DELIVERY

¢

RESTRICTED DELIVERY

¢

SHOW TO WHOM AND DATE DELIVERED

¢

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

¢

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

¢

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

¢

RETURN RECEIPT SERVICE

¢

CONSULT POSTMASTER FOR FEES

¢

OPTIONAL SERVICES

¢

TOTAL POSTAGE AND FEES

\$

POSTMARK OR DATE

2-13-80

PS Form 3800, Apr. 1976

CERTIFIED MAIL
P08 5709086

PS Form 3811, Jan. 1979
SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

- 1. The following service is requested (check one):
 - Show to whom and date delivered.....
 - Show to whom, date and address of delivery.....
 - RESTRICTED DELIVERY
 - Show to whom and date delivered.....
 - RESTRICTED DELIVERY
 - Show to whom, date, and address of delivery, \$.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Mr. A. M. Roney
Amoco Production Company
Security Life Bldg

3. REGISTERED NO. CERTIFIED NO. INSURED NO.
P08 5709086

(A lawyer obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE: _____
ADDRESS: _____
Authorized agent

4. DATE OF DELIVERY

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

GPO : 1979-298-048

OIL CONSERVATION COMMISSION
Clyde DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE February 20, 1980

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL x _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated February 13, 1980
for the Arco Oil and Gas Co. Krause W.M. Federal #8E, F-29-28-11
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

RECEIVED
FEB 21 1980
OIL CONSERVATION COMMISSION
SANTA FE

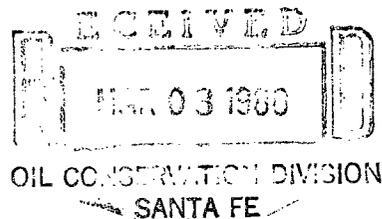
Yours very truly,

Frank S. Chang

ARCO Oil and Gas Company
Rocky Mountain District
1860 Lincoln St. - Suite 501
Denver, Colorado 80295
Telephone 303 575-7000



February 28, 1980



Mr. Joe D. Ramey, Secretary Director
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Krause WN Federal #8E
1595' FNL & 2170' FWL
Section 29-28N-11W
San Juan County, New Mexico

Dear Mr. Ramey:

Application was made February 13, 1980 for a waiver
of Rule 104 pertaining to the above location.

Mr. R. L. Stamets, of your office, requested an
explanation as to why this location was moved by the
United States Geological Survey. This explanation is
attached along with a sketch showing the topography
necessitating the non-standard location.

This well is proposed to be a Dakota completion.

Your early approval of this application will be greatly
appreciated.

Very truly yours,

W A Walther, Jr.

W. A. Walther, Jr.
Operations Manager

Encl.

cc: Oil Conservation Commission - Aztec, New Mexico
United States Geological Survey - Farmington, New Mexico

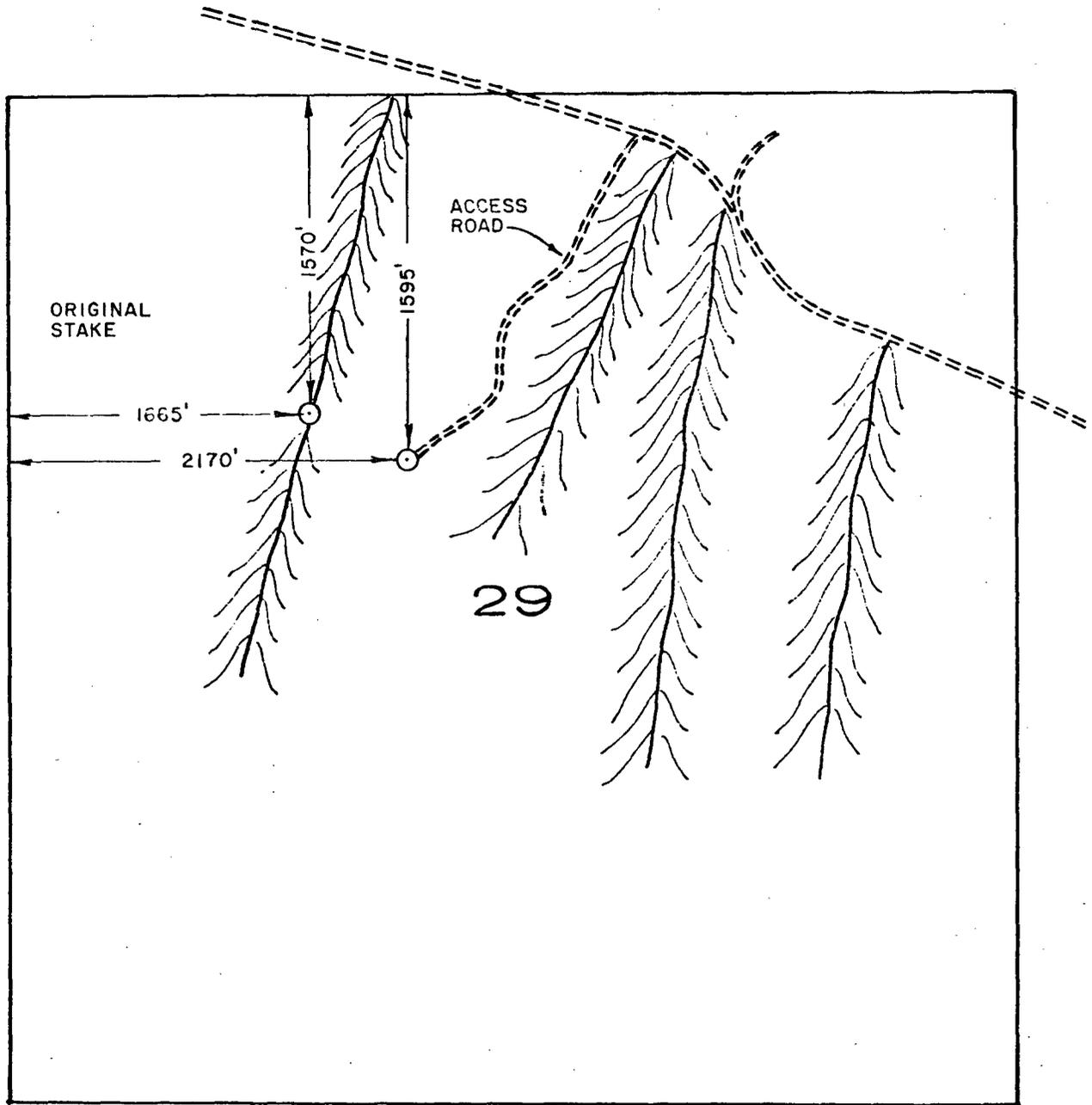
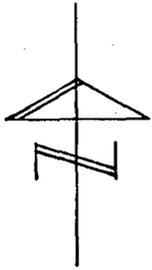
KRAUSE WN FEDERAL #8E

This location was moved per recommendation of the Bureau of Land Management and the United States Geological Survey. The move was 25' south and 505' east of the original stake.

The original stake fell on top of a narrow sandy ridge running in a southwesterly direction. The access road would have to approach the location from the northeast, up the east slope of the ridge and down the top of the sandy ridge to the location. A severe cut on the ridge would be necessary, pushing material both east and west until large enough to be usable.

The new location is down off the ridges. The access road grade will be much less. This location and access road will be much better to build and maintain for the producing life of the gas well. Also, the esthetic value of the bad-lands type terrain will be better preserved.

KRAUSE W.N. FEDERAL WELL No. 8-E



SCALE: 6" = 1 MILE

PRESENT LOCATION : 1595' FNL , 2170' FWL
Sec. 29 - T 28 N - R 11 W
SANJUAN Co., N.M.

OLD LOCATION : 1570' FNL , 1665' FWL



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 19, 1980

BRUCE KING

GOVERNOR

LARRY KEHOE

SECRETARY

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

ARCO Oil & Gas Co.
P. O. Box 5540
Denver, Colorado 80217

Re: Application for Non-Standard
Location: Krause WN Federal Well
No. 8E, 1595' FNL and 2170' FWL
Sec. 29, T-28-N, R-11-W, San Juan
County

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

- A plat must be submitted clearly showing the ownership of the offsetting leases.
- A statement must be submitted that offset owners have been notified of the application by certified mail.
- A plat must be submitted fully identifying the topography necessitating the non-standard location. There is no explanation of the reason for the request by the BLM or USGS for movement of the well.
- Other: Please show the pool or pools in which completion(s) will be attempted.

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/dr

ARCO Oil and Gas Company
Rocky Mountain District
1860 Lincoln St. - Suite 501
Denver, Colorado 80295
Telephone 303 575-7000



March 3, 1980

Mr. Joe D. Ramey, Secretary-Director
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501



Re: Krause WN Federal #8E
1595' FNL & 2170' FWL
Section 29-28N-11W
San Juan County, New Mexico

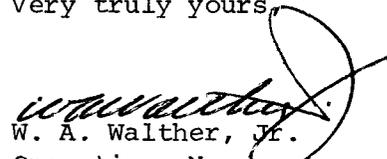
Dear Mr. Ramey:

Application was made February 3, 1980 to the Oil Conservation Commission of the State of New Mexico requesting a waiver of Rule 104.

At that time, a copy of the certified letter sent to the off-set operator of the referenced well was forwarded to your office. Enclosed is the fully executed letter for your files.

Your consideration of this application is greatly appreciated.

Very truly yours,


W. A. Walther, Jr.
Operations Manager

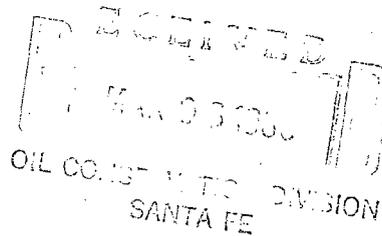
Encl.

cc: Oil Conservation Commission, Aztec, New Mexico
United States Geological Survey, Farmington, New Mexico

ARCO Oil and Gas Company
Rocky Mountain District
717-17th Street
Mailing address: P.O. Box 5540
Denver, Colorado 80217
Telephone 303 575 7031
W. A. Walther, Jr.
Operations Manager



February 13, 1980



Mr. A. M. Roney
Amoco Production Company
Security Life Building
Denver, Colorado 80202

Certified Mail
Return Receipt Requested

Re: Krause WN Federal Number 8E
1595' FNL & 2170' FWL
Section 29-28N-11W
San Juan County, New Mexico

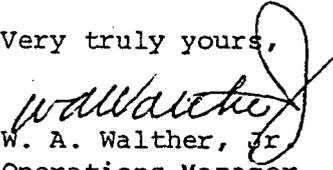
Dear Mr. Roney:

ARCO Oil and Gas Company, Division of Atlantic Richfield Company, requests your consent and approval of the referenced well at the stated location and as more fully shown on the attached plat.

Pursuant to the Oil Conservation Commission of the State of New Mexico it is necessary to obtain the consent of all offset operators when an application has been filed for an unorthodox location. The stated location is located closer than 790 feet to the outer boundary of the quarter section, therefore making it an unorthodox location.

I would appreciate it if you would sign and date the consent and approval form contained in this letter, and return one executed and dated copy of the letter to me in the enclosed self addressed stamped envelope and keep the other copy for your records. If you have any objections or questions concerning this request, please call me at your earliest convenience.

Very truly yours,


W. A. Walther, Jr.
Operations Manager

Encl.

CONSENT AND APPROVAL

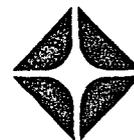
RECEIVED
FEB 28 1980
OIL COLLECTOR'S DIVISION
SANTA FE

Amoco Production Company by its authorized signatory below, hereby consents to and approves of the drilling of the foregoing-described proposed well at the location indicated.

Dated this 28th day of February, 1980

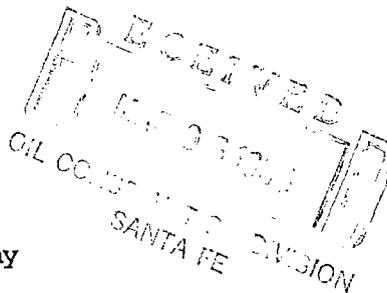
By: R B Giles
for Amoco Production Company

ARCO Oil and Gas Company
Rocky Mountain District
717-17th Street
Mailing address: P.O. Box 5540
Denver, Colorado 80217
Telephone 303 575 7031
W. A. Walther, Jr.
Operations Manager



February 13, 1980

Mr. A. M. Roney
Amoco Production Company
Security Life Building
Denver, Colorado 80202



Certified Mail
Return Receipt Requested

Re: Krause WN Federal Number 8E
1595' FNL & 2170' FWL
Section 29-28N-11W
San Juan County, New Mexico

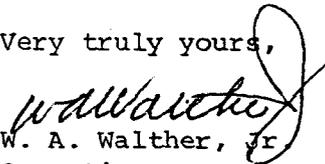
Dear Mr. Roney:

ARCO Oil and Gas Company, Division of Atlantic Richfield Company, requests your consent and approval of the referenced well at the stated location and as more fully shown on the attached plat.

Pursuant to the Oil Conservation Commission of the State of New Mexico it is necessary to obtain the consent of all off set operators when an application has been filed for an unorthodox location. The stated location is located closer than 790 feet to the outer boundary of the quarter section, therefore making it an unorthodox location.

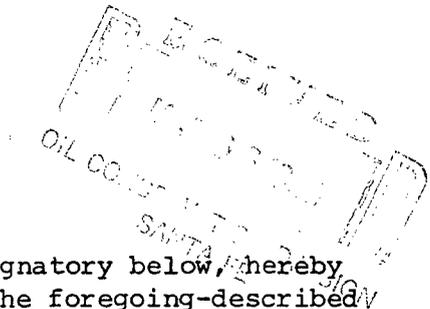
I would appreciate it if you would sign and date the consent and approval form contained in this letter, and return one executed and dated copy of the letter to me in the enclosed self addressed stamped envelope and keep the other copy for your records. If you have any objections or questions concerning this request, please call me at your earliest convenience.

Very truly yours,


W. A. Walther, Jr.
Operations Manager

Encl.

CONSENT AND APPROVAL



Amoco Production Company by its authorized signatory below, hereby consents to and approves of the drilling of the foregoing-described proposed well at the location indicated.

Dated this 28th day of February, 1980

By: RB Giles
for Amoco Production Company

All distances must be from the corner being located of the Section

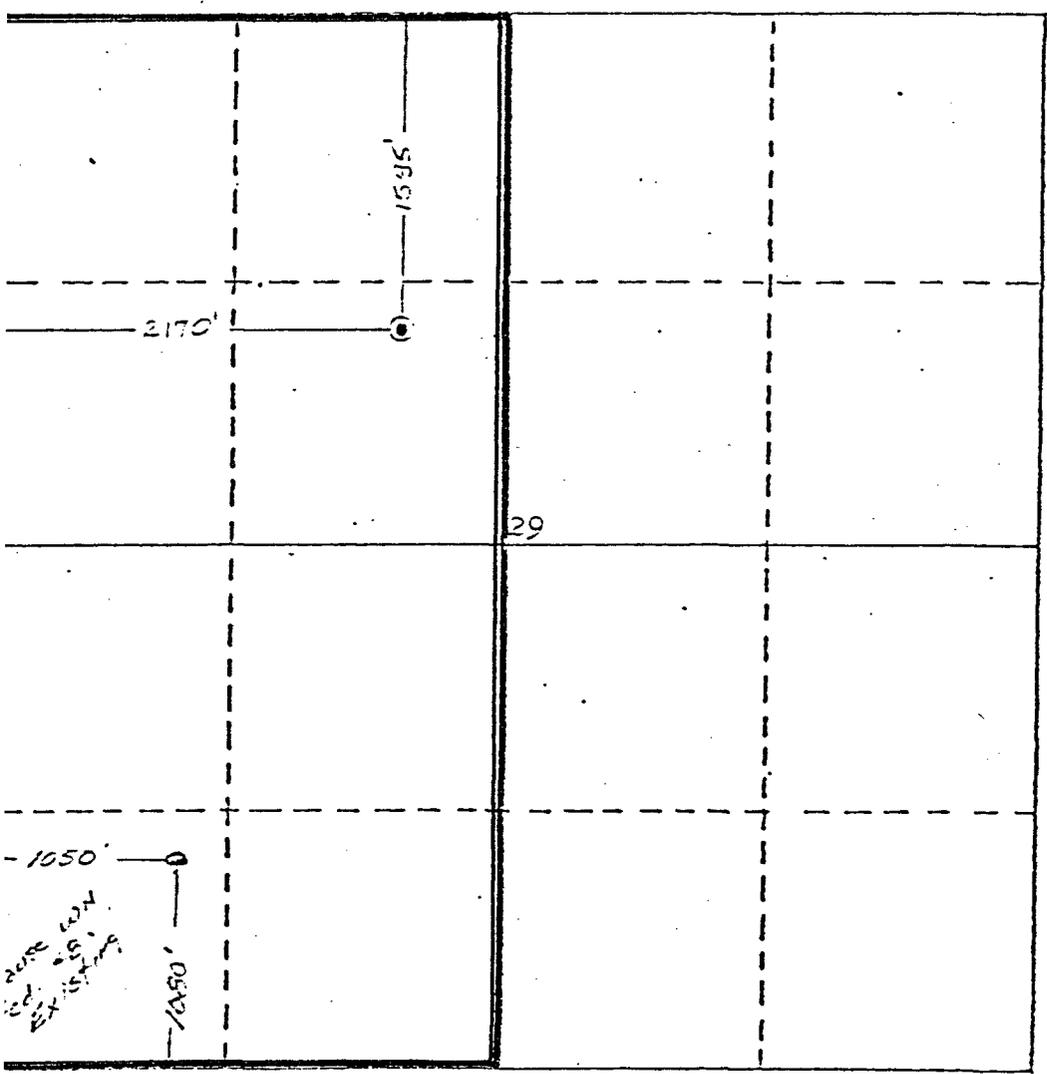
| | | | |
|---|---------------------|-------------------------------------|-------------------|
| Lessee ARCO OIL & GAS COMPANY | | Well No. 8-E | |
| Section 29 | | Township 28 NORTH | |
| Range 11 WEST | | County SAN JUAN | |
| Well Location of Well: | | | |
| 1595 feet from the NORTH line and | | 2170 feet from the WEST line | |
| Well Level Elev. 5750 | Producing Formation | Pool | Dedicated Acreage |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

W. A. Walther, Jr
 W. A. Walther, Jr
 Position
 Operations Manager
 Company ARCO Oil & Gas Company
 Div. of Atlantic Richfield Co

Date
 1-15-80

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 correct to the best of my knowledge.

STATE OF NEW MEXICO
 REGISTERED PROFESSIONAL ENGINEER & LAND SURVEYOR
 NO. 1463
 JAMES P. LEESE

Date Surveyed
 December 21, 1979

Registered Professional Engineer
 and Land Surveyor
James P. Leese
 James P. Leese
 Certificate No.
 1463