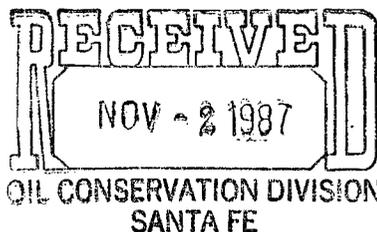


Release Date November 3, 1987
Waver in.

By DRC

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



October 27, 1987

*NSL-2428
RULE 104 F (E)*

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

*South Eunice Seven
River Queen Pool
40 Acres ded.
SW1/4 NW1/4
Section 34*

RE: Unorthodox Location
Seven Rivers Queen Unit No. 73
Lea County, New Mexico
Eunice, So. (Seven Rivers Queen) Field

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval to drill its Seven Rivers Queen Unit No. 73, a proposed producing well in an active waterflooding unit, at an unorthodox location of 1450' FNL & 1250' FWL, Section 34, Township 22 South, Range 36 East, Lea County. The well is to be drilled to a TD of 3870' to test the Seven Rivers Queen formations. In ARCO's opinion, completion of the well at the proposed location will provide an efficient production and injection pattern within a secondary recovery project. This well is expected to recover unswept oil by increasing the amount of floodable pay and by increasing the injection efficiency due to increased continuity. Offset operators have been notified of this request via certified mail. Attached is a plat showing the Seven Rivers Queen Unit and the proposed well's location.

Very truly yours,

D. J. Hartman
Area Engineer

DJH:CWE:sc

Attachment

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

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

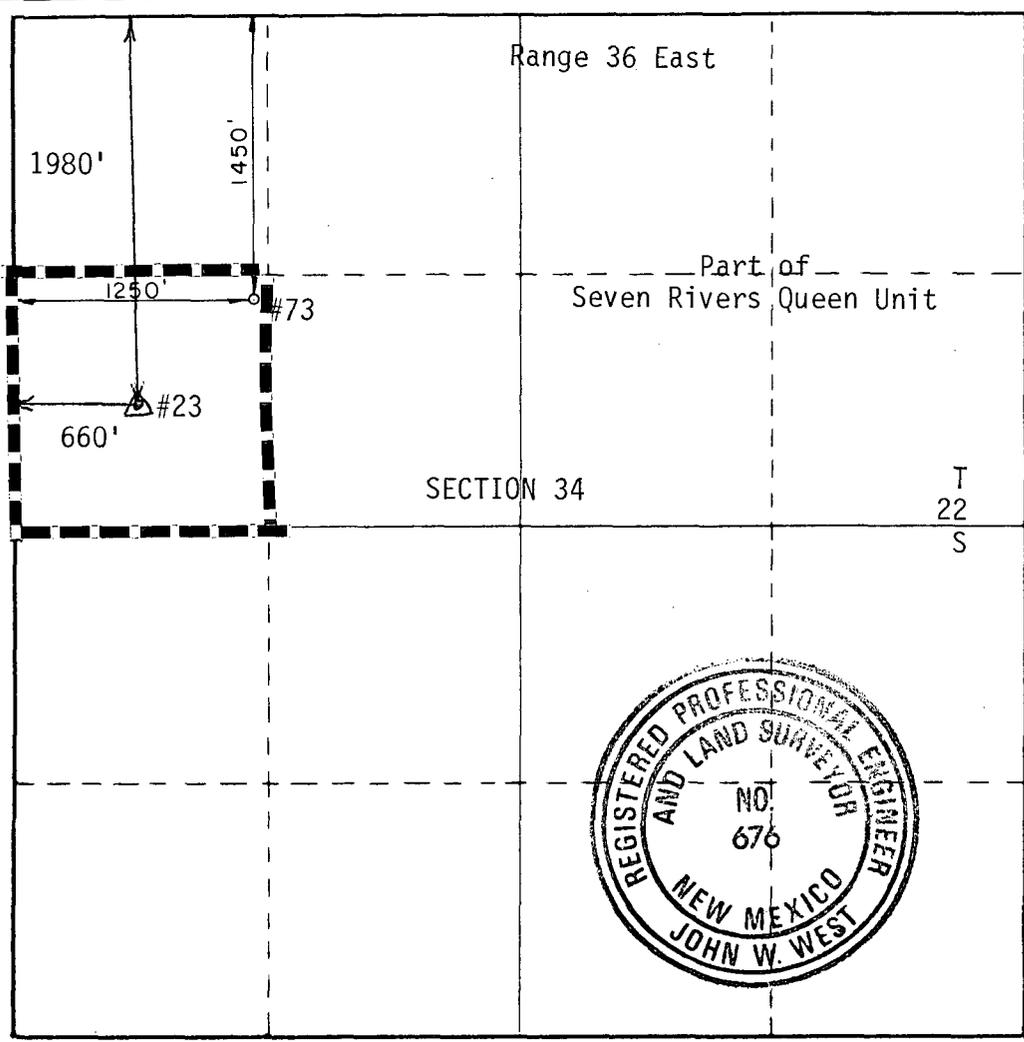
Operator Arco Oil & Gas			Lease Seven Rivers Queen Unit			Well No. 73		
Unit Letter E	Section 34	Township 22 South		Range 36 East	County Lea			
Actual Footage Location of Well: 1450 feet from the North line and 1250 feet from the West line								
Ground Level Elev. 3490.0	Producing Formation Seven Rivers/Queen			Pool Eunice, So. (SR/Qn)		Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on 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?

Yes No If answer is "yes," type of consolidation Unitization

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 Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cindy W. Ellis

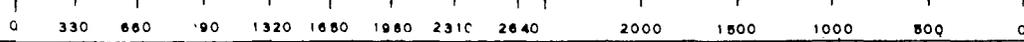
Name Cindy W. Ellis
Position Engineer
Company ARCO Oil & Gas Co.
Date 10-26-87

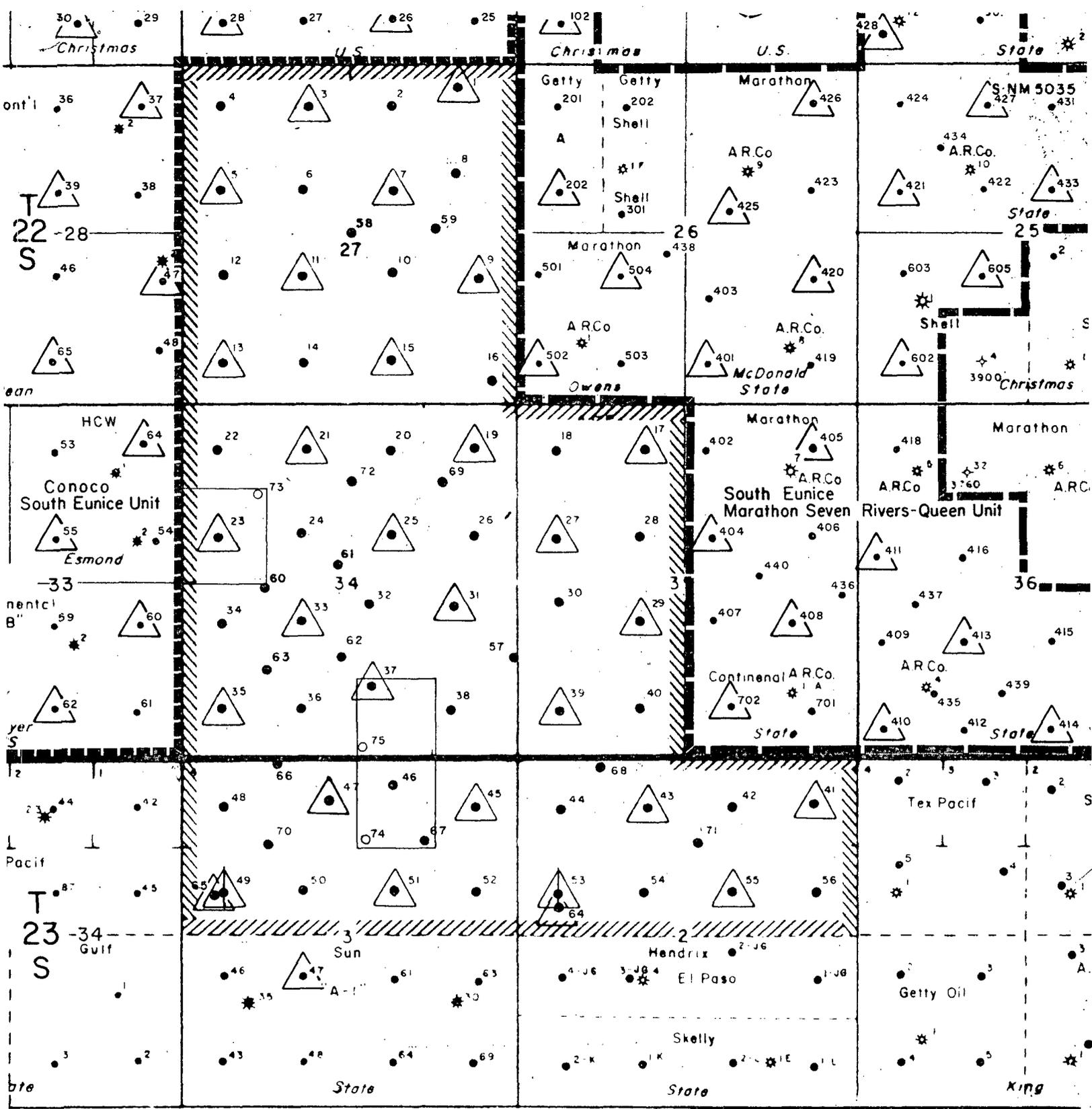
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed October 21, 1987
Registered Professional Engineer and/or Land Surveyor <i>John W. West</i>

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

96560





R 36 E

ARCO Oil and Gas Company
 Division of Atlantic Richfield Company
 Central District Midland, Texas

SEVEN RIVERS-QUEEN UNIT
 LEA CO., NEW MEXICO
 PROPOSED WELLS
 No. 73,74,75

Scale: 1" = 2000'

By C. ELLIS	Drawn By	Date 7-85
Date 7-85	Revised By E. Davis	Date 10-87
Dept SOUTH ENGINEER/B/G		Draw No

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



**CERTIFIED
RETURN RECEIPT REQUESTED**

October 27, 1987

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attached is a copy of ARCO Oil and Gas Company's Application for Administrative Approval of Unorthodox Location on our Seven Rivers Queen Unit No. 73. This location is necessary for infill drilling on 20 acre spacing. If you have no objection, please sign the waiver at the bottom of this letter and mail it to the New Mexico Oil Conservation Division in the attached envelope. Also, please return one copy to me. Thank you for your consideration.

Yours very truly,

A handwritten signature in cursive script, appearing to read "D. J. Hartman".

D. J. Hartman
Area Engineer

DJH:CWE:sc

Attachment

WAIVER APPROVAL: _____

For Conoco, Inc.

_____ Date

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



RECEIVED
 NOV - 3 1987

OIL CONSERVATION DIVISION
 CERTIFIED SANTA FE
 RETURN RECEIPT REQUESTED

October 27, 1987

Conoco, Inc.
 P. O. Box 460
 Hobbs, New Mexico 88240

RECEIVED HOBBS DIVISION		OCT 29 '87	
		Handle	
Div. Mgr.			
Div. Opps. Mgr.			
Div. Adm. Mgr.			
Div. Eng. Mgr.			
Div. Orig. Supt.			
Prod. Supt. - H&D			
Prod. Supt. - E&I			
Consv. Coord.			<i>[Signature]</i> ✓
Guard. Ing.			
Adm. Supv. - Fin.			
Adm. Supv. - O&G			
Supv. Syst. Asst.			
Prof. Engr.			
Supv. Prod. Engr.			
Supv. Prod. Engr.			
Supv. Prod. Engr.			

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Yours very truly,

[Signature: D. J. Hartman]

D. J. Hartman
 Area Engineer

DJH:CWE:sc

Attachment

WAIVER APPROVAL:

[Signature]
 For Conoco, Inc.

10-30-87
 Date



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS-DISTRICT OFFICE

GARREY CARRUTHERS
 GOVERNOR

RECEIVED 10-30-87
 NOV - 2 1987
 OIL CONSERVATION DIVISION
 HOBBS, NEW MEXICO

POST OFFICE BOX 1988
 HOBBS, NEW MEXICO 88241-1988
 (505) 393-6161

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

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Arcis Oil & Gas Co. Seven Rivers Queen ut 73-E 34-22-36
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK JS

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed