

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

OIL CONSERVATION DIVISION
RECEIVED



January 29, 1990

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

Re: Application for Non-Standard Proration Unit
Duthie Andrews #1, #4, and #7
SE/4 Section 18, T23S, R37E
NE/4 Section 19, T23S, R37E
Jalmat Gas Pool

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval of the unorthodox location of a proposed Jalmat gas well, the Duthie Andrews No. 7. The proposed location (1980' FNL & FEL in Section 19, T23S-R37E) is within an existing 320-acre non-standard Jalmat gas proration unit, which is currently dedicated to the Duthie Andrews Nos. 1 and 4 (see attached C-102). The unit is currently producing a marginal rate of approximately 120 MCFGD, which is 350 MCFGD below average daily allowable for this unit. ARCO Oil and Gas Company also respectfully requests administrative approval for dedication of the existing 320-acre Jalmat gas proration unit to the Duthie Andrews Nos. 1, 4, and 7.

ARCO Oil and Gas Company 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.

A production plat showing the offset operators and offset well production data, NMOCD Form C-102's (both current and proposed), and NMOCD Order Nos. NSP-999 and R-2973 are attached. ARCO Oil and Gas Company is notifying the offset operators of this application by certified mail. If you need further information, please call me at (915) 688-5734.

Very truly yours,

Josh C. Fu
Engineer

JCF:jg
Attachments

Amerada Hess Corp.
P.O. Box 840
Seminole, TX 79360

Conoco Inc.
P.O. Box 460
Hobbs, NM 88240

Meridian Oil Co.
Box 4239
Houston, TX 77210

Texaco
P.O. Box 3109
Midland, TX 79702

Penroc
P.O. Box 5970
Hobbs, NM 88241

Stevens Oil and Gas
3316 Andrews Hwy.
Midland, TX 79702

J.H. Hendrix
222 W. Wall Ste. 525
Midland, TX 797901

American Exploration Co.
2100 NCNB Ctr, 700 Louisiana
Houston, TX 77002

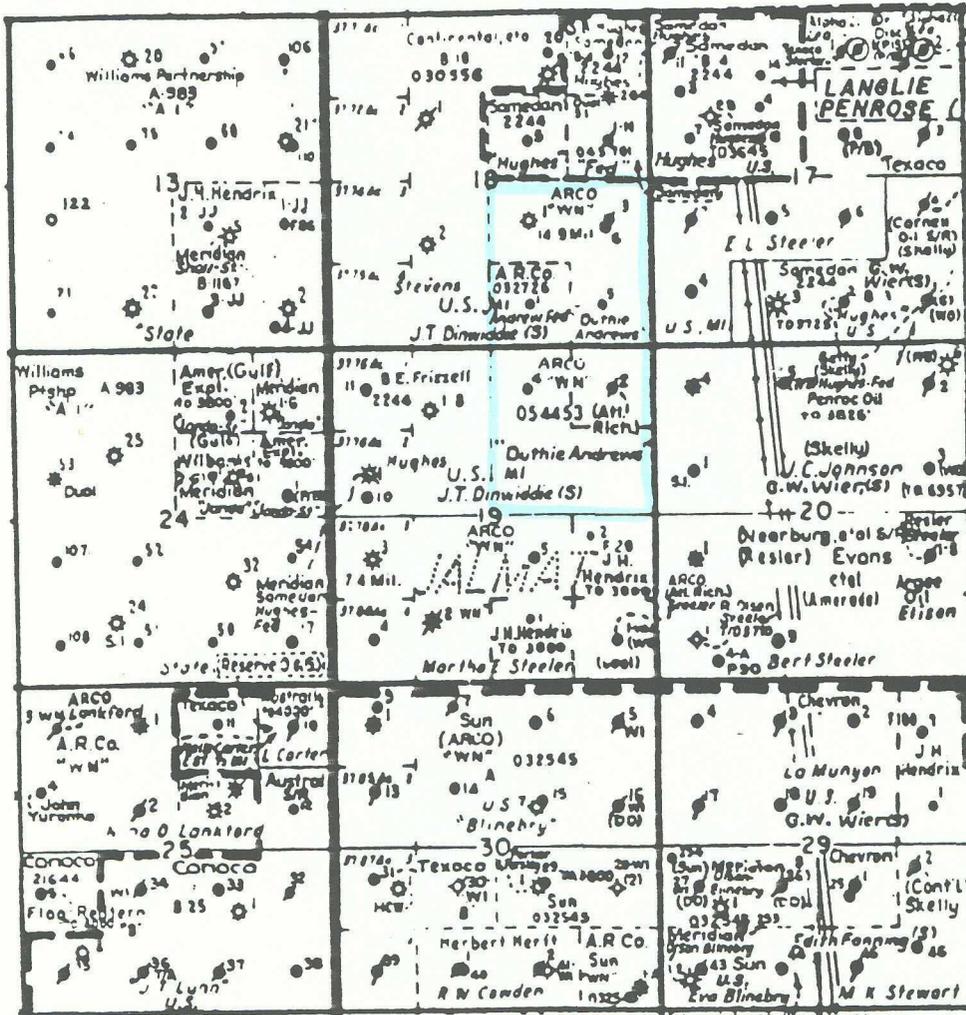
Texas Pacific Oil Company Inc.
800 Glenlakes Tower, LB 101
9400 N. Central Expressway
Dallas, TX 75231

ARCO Oil and Gas Company

Non-Standard Proration Unit Request
Duthie Andrews #1, #4, and #7

Unorthodox Location Request
Duthie Andrews #7

Jalmat Gas Pool
SE/4 Sec. 18 & NE/4 Sec. 19, T20S, R37E
Lea County, New Mexico



OFFSET OPERATORS

Amerada Hess Corp.
American Exploration Co.
Conoco Inc.
Meridian Oil Co.
Texaco

J.H. Hendrix
Penroc
Texas Pacific Oil Company Inc.

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 Atlantic Richfield Company		Lease Duthie Andrews Com WN			Well No. 1 & 4
Unit Letter J & B	Section 18 & 19	Township 23 South	Range 37 East	County Lea	
Actual Footage Location of Well:					
see below		feet from the	line and	feet from the	line
Ground Level Elev. see below	Producing Formation Yates, Seven Rivers	Pool Jalmat Gas		Dedicated Acreage: 320 Acres	

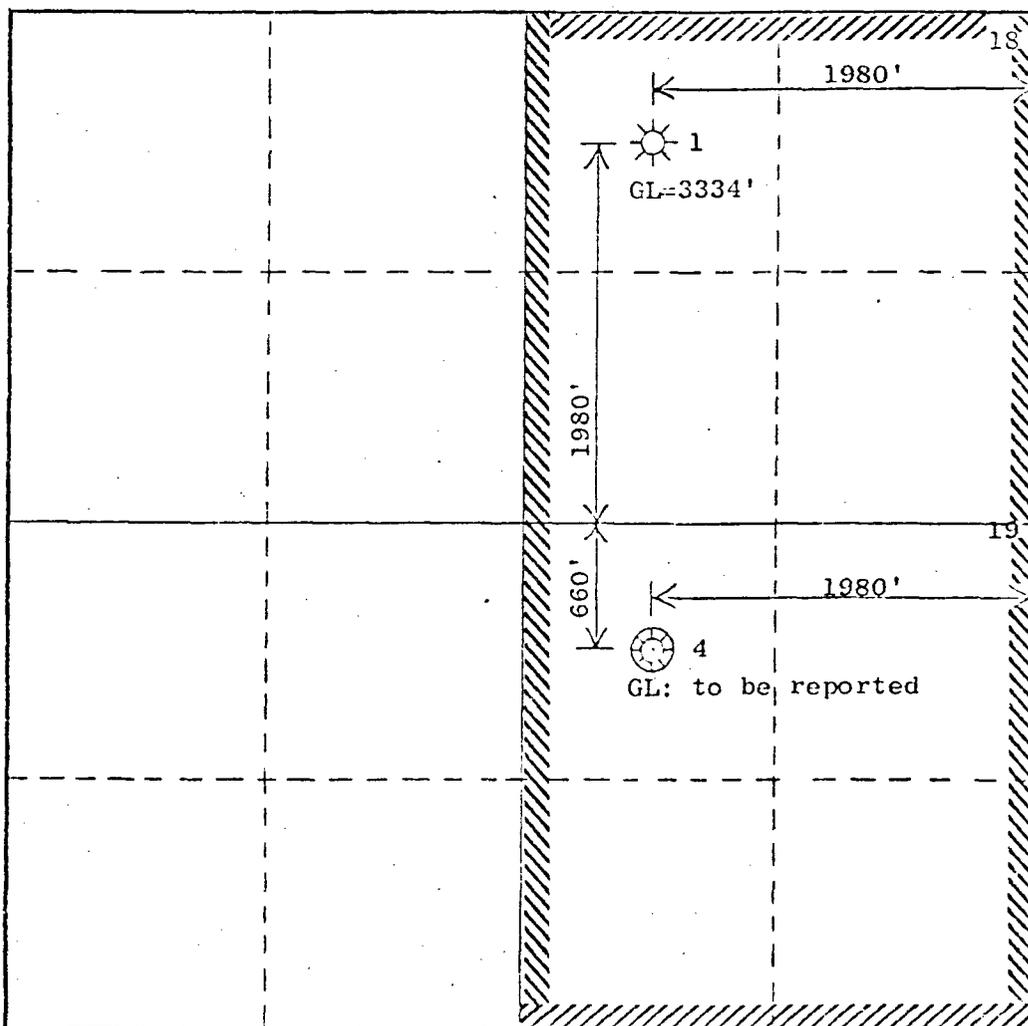
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is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

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.

R37E



CERTIFICATION

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

Name: *Louis C. Soileau IV*
Louis C. Soileau IV

Position: **Engineer**

Company: **Atlantic Richfield**

Date: **4/24/75**

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

Registered Professional Engineer and/or Land Surveyor

Certificate No.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

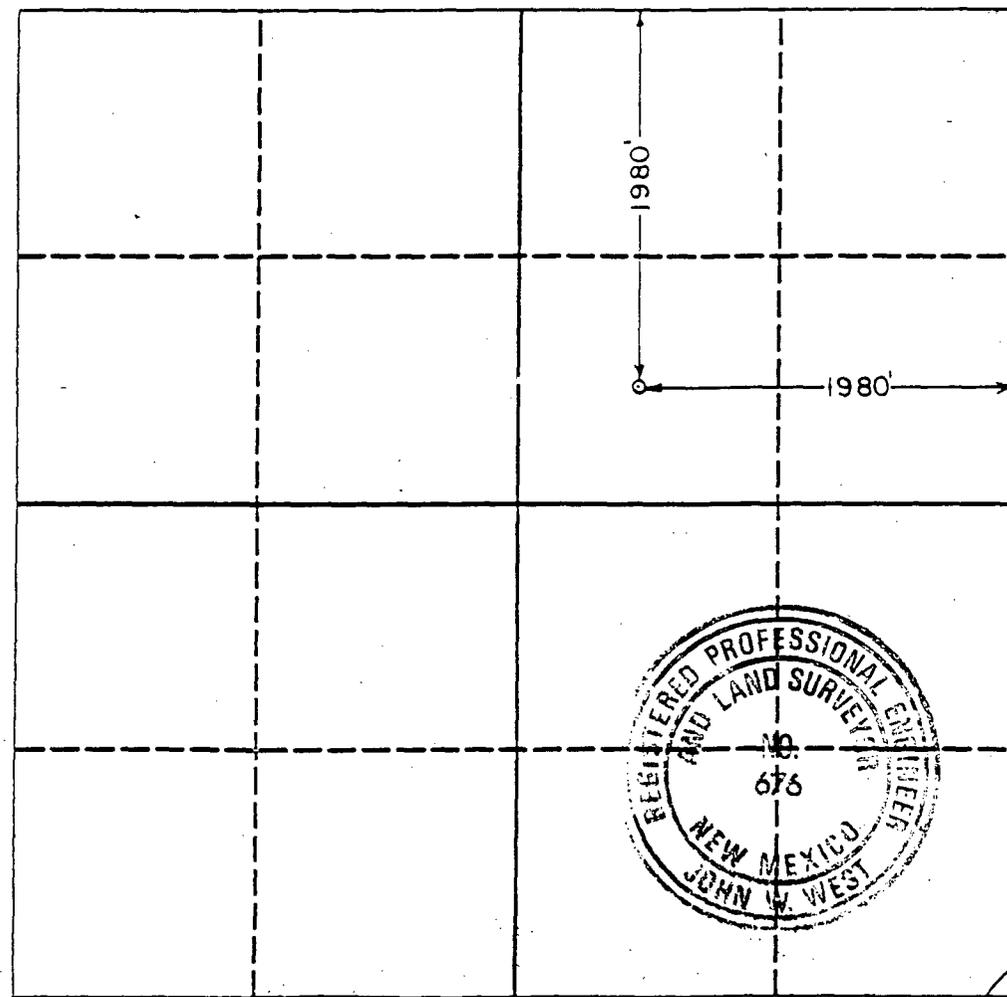
Operator ARCO OIL & GAS CO.			Lease DUTHIE ANDREWS "WN" COM.		Well No. 7
Unit Letter G	Section 19	Township 23 South	Range 37 East	County NMPM LEA	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the East line					
Ground level Elev. 3325.3	Producing Formation		Pool	Dedicated Acreage: Acres	

- 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

SURVEYOR CERTIFICATION

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.

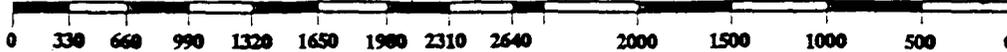
Date Surveyed

January 5, 1990

Signature & Seal of Professional Surveyor

John W. West

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



Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

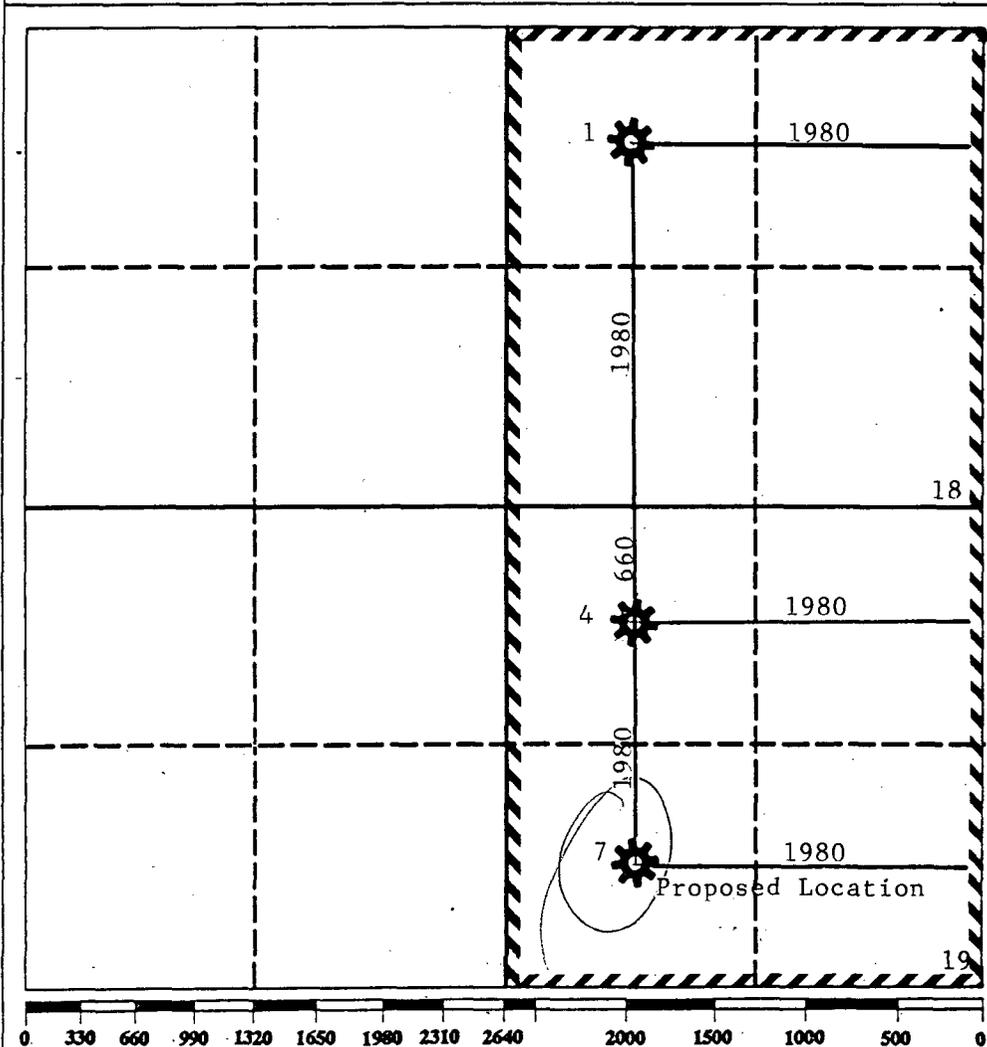
Operator ARCO Oil and Gas Company			Lease Duthie Andrews		Well No. 7
Unit Letter G	Section 19	Township T23S	Range R37E	County NMPM Lea	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the East line					
Ground level Elev. 3325.3	Producing Formation Yates, Seven Rivers		Pool Jalmat Gas		Dedicated Acreage: 320 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Evelyn Gilson

Printed Name
Engr. Tech

Position
ARCO Oil and Gas Co.

Company
January 16, 1990

Date

SURVEYOR CERTIFICATION

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

Signature & Seal of Professional Surveyor

Certificate No.

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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. 3312
Order No. R-2973

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A NON-STANDARD UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 22, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of October, 1965, 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, Sinclair Oil & Gas Company, seeks approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 18 and the NE/4 of Section 19, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to its Duthie-Andrews Well No. 1 located 1960 feet from the South line and 1980 feet from the East line of said Section 18.

(3) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable

-2-

CASE No. 3312
Order No. R-2973

share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED: .

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 18 and the NE/4 of Section 19, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Sinclair Oil & Gas Company Duthie-Andrews Well No. 1 located 1980 feet from the South line and 1980 feet from the East line of said Section 18.

(2) That jurisdiction of this cause is retained for 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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, JR., Member & Secretary

S E A L

esr/

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

June 4, 1975

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79701

Attention: Mr. J. L. Tweed

Administrative Order NSP-999

Gentlemen:

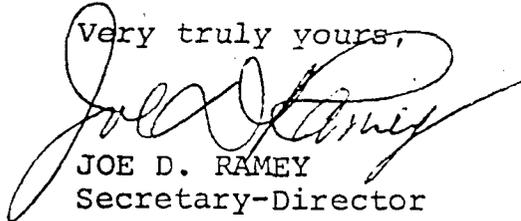
Reference is made to your application for 320-acre non-standard proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 18: SE/4
Section 19: NE/4

It is understood that this unit is to be dedicated to your Duthie Andrews Com WN Well No. 1, located 1980 feet from the East line and 1980 feet from the South line of Section 18, and Duthie Andrews Com Well No. 4, to be located 660 feet from the North line and 1980 feet from the East line of Section 19.

By authority granted me under the provisions of Rule 104 D II, you are hereby authorized to operate the above-described acreage as a non-standard proration unit.

Very truly yours,


JOE D. RAMEY
Secretary-Director

JDR/JEK/jr

cc: Oil Conservation Commission - Hobbs
U. S. Geological Survey - Hobbs
Oil & Gas Engineering Committee - Hobbs
Proration Department, OCC - Santa Fe

WAIVER TO OBJECTION

ARCO Oil and Gas Company

**Non-Standard Proration Unit Request
Duthie Andrews #1, #4, and #7**

**Unorthodox Location Request
Duthie Andrews #7**

**Jalmat Gas Pool
SE/4 Sec. 18 & NE/4 Sec. 19, T20S, R37E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 320-acre non-standard proration unit for the Duthie Andrews #1, #4, and #7, and the unorthodox location for the Duthie Andrews #7.

Signed: _____

Company: _____

Date: _____

OIL CONSERVATION DIVISION
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WAIVER TO OBJECTION

ARCO Oil and Gas Company

**Non-Standard Proration Unit Request
Duthie Andrews #1, #4, and #7**

**Unorthodox Location Request
Duthie Andrews #7**

**Jalmat Gas Pool
SE/4 Sec. 18 & NE/4 Sec. 19, T20S, R37E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 320-acre non-standard proration unit for the Duthie Andrews #1, #4, and #7, and the unorthodox location for the Duthie Andrews #7.

Signed: _____



Company: _____

Amarada Hess Corp.

Date: _____

1/31/90

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WAIVER TO OBJECTION

ARCO Oil and Gas Company

**Non-Standard Proration Unit Request
Duthie Andrews #1, #4, and #7**

**Unorthodox Location Request
Duthie Andrews #7**

**Jalmat Gas Pool
SE/4 Sec. 18 & NE/4 Sec. 19, T20S, R37E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 320-acre non-standard proration unit for the Duthie Andrews #1, #4, and #7, and the unorthodox location for the Duthie Andrews #7.

Signed: _____

Ronnie H. Westbrook

Company: _____

John H. Hendrick Corp.

Date: _____

1/31/90