OIL CONSERVE OUN DIVISION ARCO Oil and Gas Company Western District RECE.VED 600 N. Marienfeld ′93 MA# 25 AM 8 50 Midland, Texas 79701 Post Office Box 1610 Midland, Texas 79702 Telephone 915 688 5200 March 19, 1993 Mr. William J. LeMay N.M. Oil Conservation Division P.O. Box 2088 Sante Fe, N.M. 87501 - 2088 Re: Schlosser WN Federal #1-E 1795' FSL, 1575' FWL Section 10, T27N R11W San Juan County, N.M. Dear Mr. LeMay:

ARCO Oil and Gas is applying for administrative approval for an exception to the well location requirements for a development oil well as stated by Rule 104 of the State of New Mexico Rules and Regulations. ARCO's request for exception to the well location requirements is based on Rule 104 Section F(I.). The referenced well is a former Dakota gas producer and has been recompleted uphole to the Kutz-Gallup pool. ARCO Oil and Gas is sole operator of Section 10 - T27N - R11W. Lease ownership for all zones below the base of the Pictured Cliffs is ARCO Oil and Gas 50.0%, Conoco Inc. 37.5% and Amoco Production Company 12.5%. A plat illustrating well location and producing zones is attached. The Schlosser #1 and Schlosser #20 did not penetrate zones below the base of the Pictured Cliffs formation.

Should you need any additional information I can be contacted at (915) 688-5549

Sincerely.

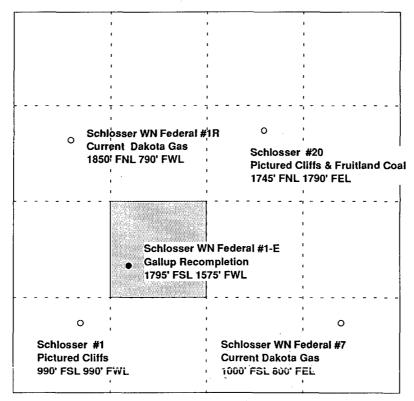
J.A. (Tony) Long San Juan Engineering

JAL:jal attachments

cc: Frank Chavez - OCD

SCHLOSSER WN FEDERAL #1-E Gallup Recompletion Section10 - T27N - R11W ARCO Oil and Gas Company

Section 10 T27N - R11W



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40 Acre Quarter/Quarter

All Zones Below Base of Pictured Cliffs

Operator: ARCO Oil and Gas

Working Interest Lease Owners: Arco Oil and Gas	50.0%
Conoco Inc.	37.5%
Amoco Production Company	12.5%

County San Juan Pool Kutz-Gallup Oil W. 11 West TOWNSHIP 27 North NEW MEXICO PRINCIPAL MERIDIAN RANGE 6 8 17 15 18 16 19 23 -20. 22 24 21 30 29 28 27 26 Ê 31 33-32 36 34 35 Description: N/2 \$ 51/4 Sec. 2; 5 \$ NW4 Sec. 4; All Sec. 5; 1/2 \$ 5/4 Sec. 9: <u>N2 Sec.10:</u> <u>NW4 Sec. 11 (R.1825, 12.1.60)</u> <u>Ext: SW4 Sec. 3(R.1858, 2.1.61) - <u>NG4 NG4 Sec. 6 (R.1879, 3.1.61)</u> <u>SW6c11:</u> <u>NW8 SW5E</u> <u>Sec.14(R.42925-1-72)Ext: <u>N2 Sec.1 (R-5339, 2-1-77)</u> <u>Ext: NW4 NE/4 sec.4 (R.6886, 1-22-82) Ext: <u>SV4 Sec.1, SE/4 Sec.2,</u></u></u></u> NE/4 Sec. 11, NU/4 Sec. 12 (R-8417, 3-24-87)

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