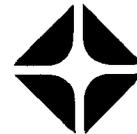
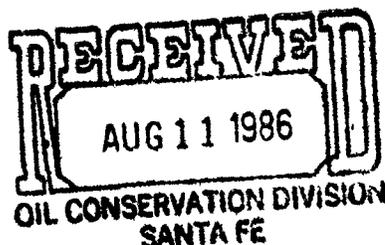


ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



August 6, 1986



Mr. Richard D. Stamets
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Stamets:

Non-Standard Proration Unit
Proposed State "H" No. 5
Unit I, Sec. 5-T21S-R36E
Eumont (Yates 7R Queen) Gas Pool
Lea County, New Mexico

ARCO Oil and Gas Company respectfully submits this request for administrative approval under the provisions of Rule 104-D-II to establish a 160-acre non-standard proration unit for the proposed well. The proposed well will be located 3591' FNL and 920' FEL in Section 5, T21S, R36E of Lea County, New Mexico on a 160-acre lease.

The State "H" No. 5 will be completed as a Eumont gas well replacing the State "H" Nos. 1 and 3. These wells were recently plugged in the Eumont gas zone and turned over to the Chevron-operated Eunice Monument South Unit for use in that Grayburg-San Andres waterflood. Prior to the plugging of the State "H" Nos. 1 and 3, the proposed 160-acre non-standard proration unit was dedicated to these wells under NSP-959. This proration unit was terminated with the plugging of the State "H" No. 3 in July 1986 and the No. 1 on August 4, 1986. ARCO now requests that the 160 acres comprising Lot Nos. 9, 10, 15 and 16 of Section 5, T21S, R36E be dedicated to the proposed State "H" No. 5 well.

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 Eumont gas reserves from the subject acreage.

The attached map and Form C-102 identifies the location of the proposed State "H" No. 5, the dedicated acreage, and the offset wells. ARCO is notifying the offset operator of this application by registered mail and is asking for a waiver to objection of this application. Thank you for your consideration.

Mr. Richard D. Stamets
August 6, 1986
Page Two

Please contact me at (915) 688-5564 if you have any questions.

Sincerely,



A. D. Green
Engineer

ADG:tis
Attachments

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

Chevron U.S.A., Inc.
P.O. Box 670
Hobbs, New Mexico 88240

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

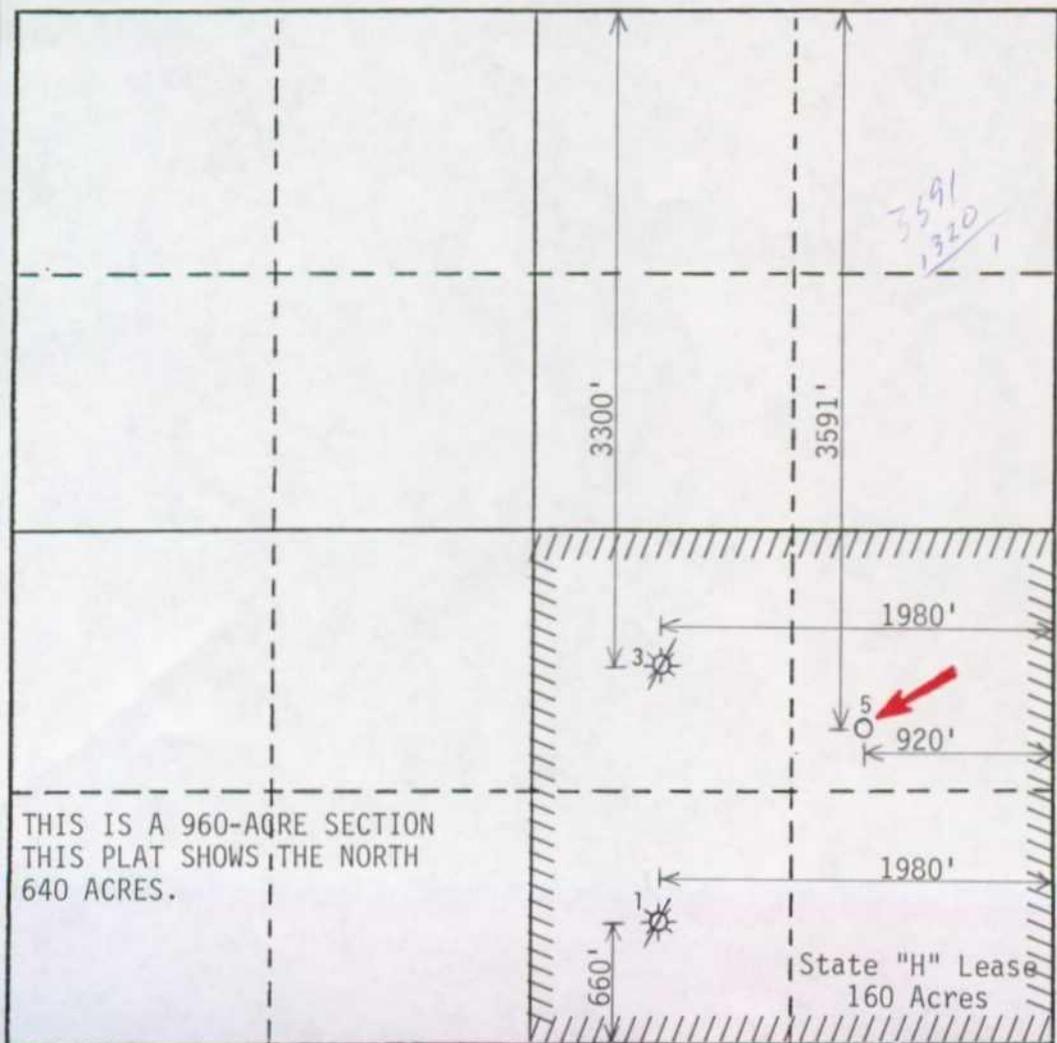
All distances must be from the outer boundaries of the Section.

Operator ARCO Oil and Gas Company		Lease State "H"			Well No. 5
Unit Letter I	Section 5	Township 21 South	Range 36 East	County Lea	
Actual Footage Location of Well: 3591 feet from the North line and 920 feet from the East line					
Ground Level Elev. 3571.2'	Producing Formation Queen		Pool Eumont Gas	Dedicated Acreage: 160 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? NA
 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.



THIS IS A 960-ACRE SECTION
THIS PLAT SHOWS THE NORTH
640 ACRES.

CERTIFICATION

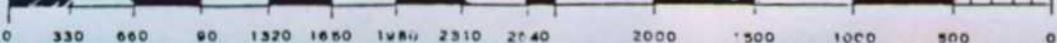
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Antoinette D. Green

Name	Antoinette D. Green
Position	Engineer
Company	ARCO Oil and Gas
Date	August 6, 1986

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.	



R 36 E

R 37 E



EUNICE MONUMENT
SOUTH UNIT BOUNDARY
OPERATOR CHEVRON

R 36 E

ARCO Oil and Gas Company 
Division of AtlanticRichfield Company
Permian District Midland, Texas

PROPOSED ST. "H" N° 5

LEA CO. NEW MEXICO

SCALE: 1" = 2000'

By: Toni Green	Drawn By:	Date: 11 - 80
Date: 7 - 86	Revised By: E. G. D.	Date: 8 - 86
Dept: South Engineering	Draw No.:	

* Eumont gas well



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

TONEY ANAYA
 GOVERNOR

RECEIVED
 AUG 15 1986
 OIL CONSERVATION DIVISION
 SANTA FE

August 13, 1986

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88240
 (505) 393-6161

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

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

ARCO Oil & Gas Co.	State H #5-I	5-21-36
Operator	Lease & Well No.	Unit S-T-R

and my recommendations are as follows:

Yours very truly,

Jerry Sexton
 Supervisor, District 1

/mc

RECEIVED
AUG 18 1986

**OIL CONSERVATION DIVISION
SANTA FE**

Waiver to Objection
Non-Standard Proration Unit Request
"H" No. 5-ARCO Oil and Gas Company Operator
Eumont (Yates 7R Queen) Gas Pool
Lots 9, 10, 15 and 16 Section 5, T-21-S, R-36-E
Lea County, New Mexico

I/We hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD approval of a 160-acre non-standard proration unit for AOGC's State "H" No. 5, a proposed Eumont gas producer.

Signed L. C. Anderson
Company Chevron USA Inc
Date 8-14-86

OIL CONSERVATION COMMISSION
Hobbs DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE July 12, 1974

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____
NSP X

Gentlemen:

I have examined the application dated 7/3/74
for the Atlantic Richfield Co. State "H" #3-J 5-21-36
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.D.R.

Yours very truly,

