

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

May 3, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ARCO Oil & Gas Company
P.O. Box 1610
Midland, TX 79702

Attention: Josh C. Fu

Administrative Order NSP-1600(L)

Dear Mr. Fu:

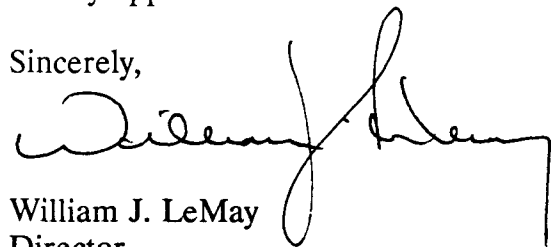
Reference is made to your applications of February 5, 1990 and April 12, 1990 for a 313.60-acre non-standard gas proration unit consisting of the following acreage:

LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 4: Lots 1 through 8

It is my understanding that this unit is to be dedicated to your O.C. Federal Com Well No. 1 to be drilled at an unorthodox gas well location 640 feet from the North line and 1830 feet from the West line (Unit C) of said Section 4, to test the Devonian, Silurian and Ellenburger formations.

By authority granted me under the provisions of General Rules 104.D.II. and 104.F.I., the above-described non-standard gas proration unit and unorthodox gas well location are hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad