ARCO Oil and Gas Company Western District Post Office Box 1610 Midland, TX 79702 Telephone (915) 688-5200



September 18, 1992

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

Mr. J. T. Sexton New Mexico Oil Conservation Division P. O. Box 1980 Hobbs, New Mexico 88240

RE: Application for Unorthodox Jalmat Gas Well Location & Simultaneous Dedication H. S. Record WN #2
S/2 Section 10, T22S, R36E, Lea County, NM
Jalmat (Tansill/Yates/Seven Rivers) Gas Pool

Dear Mr. LeMay / Mr. Sexton:

ARCO Oil and Gas Company respectfully requests administrative approval for an unorthodox Jalmat gas well location for the H. S. Record WN #2, located 560' FSL, 660' FWL, Section 10, T-22S, R-36E in Lea County, New Mexico. The H. S. Record WN #2 is a Eunice Seven-Rivers Queen South oil well which ARCO is preparing to recomplete uphole to the Jalmat pool. At the same time, ARCO requests simultaneous dedication of the Jalmat gas production from the H. S. Record WN #1 and #6 with the Jalmat gas production from the H. S. Record WN #2 well. The H. S. Record WN #1 and #6 are Jalmat gas wells currently dedicated to an existing 320-acre proration unit comprised of the S/2 of Section 10, T-22S, R-36E.

Attached are C-102 forms identifying both the existing and proposed configuration of the subject 320-acre Jalmat gas proration unit. Also attached is a list of offset operators and/or co-owners for this unit, and a land plat map of the surrounding area.

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.

ARCO Oil and Gas Company is notifying the offset operators of this application by sending a copy of this application package, along with waiver to objection forms, by certified mail. If you need further information, please call me at (915) 688-5546.

Sincerely.

Kean D. Kenfra Kevin D. Renfra

Operations/Analytical Engineer

KDR:Irh

Attachments