

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



February 4, 1993

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

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requests administrative approval to divide an existing 640-acre Jalmat gas proration unit (consisting of Section 15, T-22S, R-36E) into two 320-acre Jalmat gas proration units. One proration would be the W/2 of Section 15 and the other proration unit would be the E/2 of Section 15. Production from the existing 640-acres is from the McDonald State WN Wells #14, #15, and #23. ARCO is also requesting administrative approval of the unorthodox locations of these existing wells in the proposed proration units. The proposed E/2 proration unit would contain production from Well #14, while the proposed W/2 proration unit would contain production from Wells #23 and #15. The reason for requesting that the existing 640-acre proration unit be divided is that ARCO is assigning its rights in the W/2 of Section 15 to Marathon Oil Company as part of an Exchange Agreement. In the near future, Marathon will be operator of the W/2 of Section 15, while ARCO will remain the operator of the E/2 of Section 15.

Attached are C-102 forms identifying the proposed configurations of the two 320-acre Jalmat gas proration units. Also attached is a list of offset operators 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 and will protect correlative rights.

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) 688-5446.

Sincerely,

David K. Newell
Senior Operations/Analytical Engineer
DKN:lrh

Attachment