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

September 20, 1993

Mr. William J. LeMay   Mr. J. T. Sexton
New Mexico Oil Conservation Division   New Mexico Oil Conservation Division
P. O. Box 2088   P. O. Box 1980
Santa Fe, New Mexico   87501   Hobbs, New Mexico   88240

RE: Application to Reinstate a Non Standard 80-acre Eumont Gas Proration Unit
      State "O" #4
      W/2 NW/4 of Section 32, T-20S, R-37E, Lea County, New Mexico
      Eumont (Yates/Seven Rivers/Queen) Gas Pool

Dear Mr. LeMay / Mr. Sexton:

ARCO Oil and Gas Company respectfully requests administrative approval to reinstate a non-standard 80-acre Eumont gas proration unit, which consists of the W/2 NW/4 of Section 32, T-20S, R-37E, Lea County, New Mexico. ARCO plans to drill the State "O" #4, at a location 1770' FNL and 660' FWL, and dedicate it to this proration unit. This 80-acre proration unit was first established (grandfathered in) for the State "O" #2. The State "O" #2 last produced from the Eumont gas pool in January 1987, when it was recompleted to the Eunice Monument oil pool and turned over to the Eunice Monument South Unit. The location of the State "O" #4 is a standard location for this proration unit.

Attached is a C-102 form identifying the configuration of the subject 80-acre Eumont gas proration unit. 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, will protect correlative rights, and will allow for a more complete recovery of Eumont 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) 688-5446.

Sincerely,

David K. Newell
Sr. Operations/Analytical Engineer
DKN:lrh
cc: J. Cogburn - Hobbs
Attachments