

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



January 18, 1994

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 to create a non-standard 320-acre Eumont gas proration unit, for an unorthodox Eumont gas well location, and for simultaneous dedication.
Ernest C. Adkins Lease
E/2 Section 9, T21S, R36E, 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 create a non-standard 320-acre Eumont gas spacing and proration unit (consisting of the E/2 of Section 9, T21S, R36E) by combining two existing 160-acre proration units (the NE/4 of Section 9 currently being produced from the Ernest C. Adkins #5 and the SE/4 of Section 9 currently being produced from the Ernest C. Adkins #9). ARCO is also requesting administrative approval for the unorthodox location of the Ernest C. Adkins #9 (located 1910' FEL and 730' FSL of Section 9) in this new 320-acre proration unit and administrative approval for the simultaneous dedication of the Ernest C. Adkins #9, the Ernest C. Adkins #5 (located 1650' FNL and 990' FEL), and the Ernest C. Adkins #12 (to be located 2160' FSL and 1650' FEL) to this new 320-acre proration unit. The Ernest C. Adkins #5 and #9 are currently active Eumont gas producers, while the Ernest C. Adkins #12 is expected to be drilled in the near future.

Attached are C-102 forms identifying the proposed 320-acre Eumont gas proration unit and the Ernest C. Adkins #5, #9, and #12. 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
Senior Operations/Analytical Engineer
cc: B. Manthei - Hobbs
Attachments