

ARCO Oil and Gas Company  
Central District  
Post Office Box 1610  
Midland, Texas 79702  
Telephone 915 688 5200



January 29, 1988

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

Subject: Non-Standard Proration Unit  
Proposed State "K" No. 3  
Unit S, Sec. 6-T21S-R36E  
Eumont (Yates 7R Queen) Gas Pool  
Lea County, New Mexico

Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully submits this request for administrative approval under the provisions of Rule 104-D-II to establish an 80-acre non-standard proration unit for the proposed well. The proposed well will be located 1650' FSL and 1980' FWL in Section 6, T21S, R36E of Lea County, New Mexico on an 80-acre lease.

The State "K" No. 3 will be completed as a Eumont gas well replacing the State "K" No. 2. This well was recently plugged in the Eumont gas zone and turned over to the Chevron-operated Eunice Monument South Unit for use in that Grayburg-San Andres waterflood. Prior to the plugging of the State "K" No. 2, it was dedicated to a 160-acre non-standard proration unit covering the SW/4. This proration unit was terminated with the plugging of the State "K" No. 2 in July of 1987. ARCO now requests that the 80 acres comprising the E/2 SW/4 of Section 6, T21S, R36E be dedicated to the proposed State "K" No. 3 well.

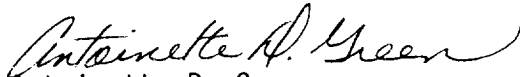
ARCO Oil and Gas Company believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of Eumont gas reserves from the subject acreage.

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The attached map and Form C-102 identifies the location of the proposed State "K" No. 3, the dedicated acreage, and the offset wells. ARCO is notifying the offset operators of this application by certified mail and is asking for a waiver to objection of this application. Thank you for your consideration.

Please contact me at (915) 688-5564 if you have any questions.

Sincerely,

  
Antoinette D. Green  
Engineer

ADG:jee

Attachments

xc: New Mexico Oil Conservation Division  
P.O. Box 1980  
Hobbs, NM 88240

Chevron U.S.A., Inc.  
P.O. Box 670  
Hobbs, NM 88240

Shell Western E & P, Inc.  
Attn: Bill Towers  
P. O. Box 1950  
Hobbs, NM 88240

Amerada Hess  
Drawer D  
Monument, NM 88265

Meridian Oil, Inc.  
21 Desta Drive  
Midland, TX 79705