

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



October 1, 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
E. L. Steeler WN #4
SW/4 Section 19, T-23S, R-37E, Lea County, New Mexico
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 E. L. Steeler WN #4 well, located 660' FSL, 660' FWL, Section 19, T-23S, R-37E in Lea County, New Mexico. The E. L. Steeler WN #4 is a Langlie Mattix (Seven Rivers/Queen/Grayburg) 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 E. L. Steeler WN #3 well with the Jalmat gas production from the E. L. Steeler WN #4 well. The E. L. Steeler WN #3 Jalmat gas well is currently dedicated to an existing 160-acre proration unit comprised of the SW/4 Section 19, T-24S, R-36E.

Attached are C-102 forms identifying both the existing and proposed configuration of the subject 160-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,

Kevin D. Renfro

Kevin D. Renfro
Operations/Analytical Engineer
KDR:lrh
cc: J. Cogburn-Hobbs
Attachments

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Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

**Application for an
Unorthodox Jalmat Gas Well Location
E. L. Steeler WN #4
and
Simultaneous Dedication of Jalmat Gas Production
E. L. Steeler WN #3 (existing)
E. L. Steeler WN #4 (new)
Jalmat Gas Pool
SW/4 Section 19, T23S, R37E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval of an unorthodox well location for the E. L. Steeler WN #4, and simultaneous dedication of Jalmat gas production from the E. L. Steeler WN #3 to an existing 160-acre proration unit.

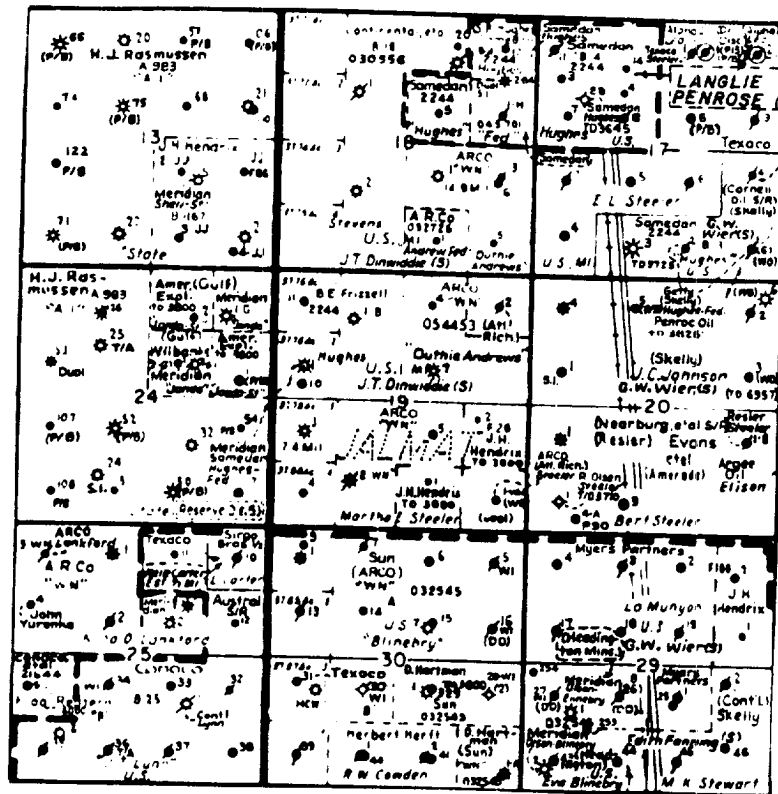
Signed: _____
Title: _____
Company: _____
Date: _____

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Simultaneous Dedication of Jalmat Gas Production
E. L. Steeler WN #3 (existing)
E. L. Steeler WN #4 (new)
Jalmat Gas Pool
SW/4 Section 19, T23S, R37E
Lea County, New Mexico



Clayton W. Williams, Jr.
Meridian Oil Inc.
Conoco, Inc.
Lewis B. Burleson, Inc.
Samedan Oil Corp.
Penroc Oil Corp.
James L. Evans

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