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JAN 27 1976

*Handwritten initials*

*Info - Colo. Oil & Gas Comm.*

January 21, 1976

Mr. Ed Guynn, District Engineer  
U. S. Geological Survey  
8426 Federal Building  
125 South State Street  
Salt Lake City, Utah 84138

Re: Sheep Mountain #5 Well Permit  
NW NE of 10-27S-70W  
Huerfano County, Colorado  
Federal Lease C-10488  
ARCO Lease C-1040

Dear Ed:

Per our conversation today, I am requesting that processing commence on the well application for the subject well. The necessary paperwork has already been submitted to your office. I am also enclosing two copies of the stipulation that you requested but said was not necessary for well approval now that the Sheep Mountain Unit has been approved. If possible, we would like one copy of this stipulation returned to us with the approved well application.

Thanks for all your help to us.

Very truly yours,

*Linda J. Massey*

Linda J. Massey (Mrs.)  
Landman

LJM/clb

Enclosures

cc: Mr. W. A. Walther, Jr. - Drilling and Production  
Superintendent, Denver

January 21, 1976

District Oil and Gas Engineer  
U. S. Geological Survey  
Conservation Division  
8426 Federal Building  
Salt Lake City, Utah 84133

In Re: Stipulation

Dear Sir:

Atlantic Richfield Company is the owner of U. S. Oil and Gas Lease G-10488, and proposes to drill a well on the leased premises to test for oil and gas at a location in the NE 1/4 NW 1/4 NE 1/4 Section 10, T. 27 S, R. 70 W, 6th PM Mer., Huerfano County, State of Colorado, 640' from North line and 1330' from East line of Section 10-27S-70W, 6th PM.

\*(Section 221.20 of the Federal Oil & Gas Regulations requires that no well be drilled less than 200' from the boundary of any legal subdivision without the written consent of the Supervisor, U.S. Geological Survey) The proposed location is approximately 1310' from the West boundary line of the NW 1/4 NE 1/4 of Section 10, but is considered to be necessary because of to aid in determining if Little Sheep Mountain is of laccolithic type origin and if sediments are normal, it is proposed to deviate the hole to a bottom hole location approximately 1000' from the North line and 1700' from the west line of Section 10, T 27 S, R 70 W, 6th PM, Huerfano County, Colorado. Therefore, Atlantic Richfield Company, lessee, requests the consent of the Supervisor to the drilling of the proposed well at the above described location. In consideration of such consent, Atlantic Richfield Company, lessee hereby expressly covenants and agrees that he will make no separate assignments of the NW 1/4 NE 1/4 and the NE 1/4 NW 1/4 Section 10, T. 27 S, R. 70 W, 6th PM Mer., and that he will keep the two described subdivisions under joint assignment until the above mentioned well has been plugged and abandoned with the approval of the Supervisor.

\* Not Applicable

Very truly yours,

ATLANTIC RICHFIELD COMPANY

By W. A. Walther, Jr.  
W. A. Walther, Jr.  
District Prod. and Mrg. Supt.