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December 27, 1994

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Case 11193

Re: Application of ARCO Permian, a Unit of Atlantic Richfield, for horizontal drilling in the Empire Abo Unit Area, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the application of ARCO Permian, a Unit of Atlantic Richfield, in the above-referenced case and a copy of a legal advertisement for this matter. ARCO Permian, a Unit of Atlantic Richfield, requests that this case be included on the Examiner hearing docket scheduled for January 19, 1995.

As you may be aware, the Special Rules and Regulations for the Empire Abo Unit Pressure Maintenance Project contained a provision for administrative approval of horizontal drainholes in the Empire Abo Unit Area. On this date we are also filing an application seeking administrative approval of the horizontal well covered by the enclosed application. ARCO is filing for both administrative approval and a hearing on this well because it hopes to drill the well at the earliest possible date and, should an objection be received from an offsetting operator, ARCO desires to proceed with a hearing on this matter at the earliest possible time.

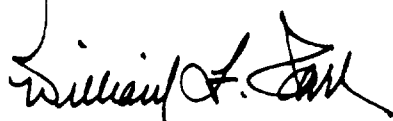
William J. LeMay, Director

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Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C" at the end.

WILLIAM F. CARR

Attorney for ARCO Permian, a Unit of Atlantic Richfield

WFC:mlh

Enclosures

cc: Gary Smallwood (w/enclosures)