CASE 1119.3

In the matter of the application of ARCO Permian, A Unit of Atlantic Richfield, for horizontal drilling in the Empire Abo Unit Area, Eddy County, New Mexico. Applicant in the above- styled cause, seeks authority to re-enter and horizontally drill its Empire Abo Unit K-17 (formerly the Pan American Malco Refinery F No. 1 Well) at a surface location 1980 feet from the South line and 660 feet from the West line of Section 1, Township 18 South, Range 27 East, N.M.P.M. ARCO proposes to drill in an easterly direction in the Abo formation, Empire-Abo Pool, until approximately 1,000 feet of lateral distance is attained. Said project area is located approximately \_\_\_\_\_ miles east of Artesia, New Mexico.