



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 21, 1995

ARCO Permian
P.O. Box 1610
Midland, Texas 79702

Attention: David B. Percy
Senior Geologist

Administrative Order NSL-3607

Dear Mr. Percy:

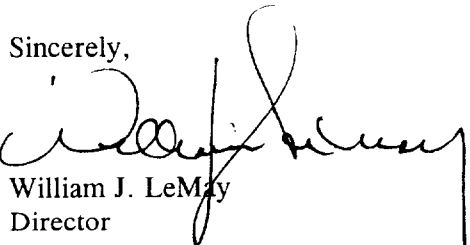
Reference is made to your application dated November 29, 1995 to drill your proposed Dorothy "36" State Com Well No. 1 at an unorthodox gas well location 1163 feet from the South line and 1647 feet from the West line (Unit N) of Section 36, Township 17 South, Range 28 East, NMPM, to test the South Empire-Morrow Gas Pool, Eddy County, New Mexico.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The W/2 of said Section 36 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the subject pool.

By the authority granted me under the provisions of General Rules 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

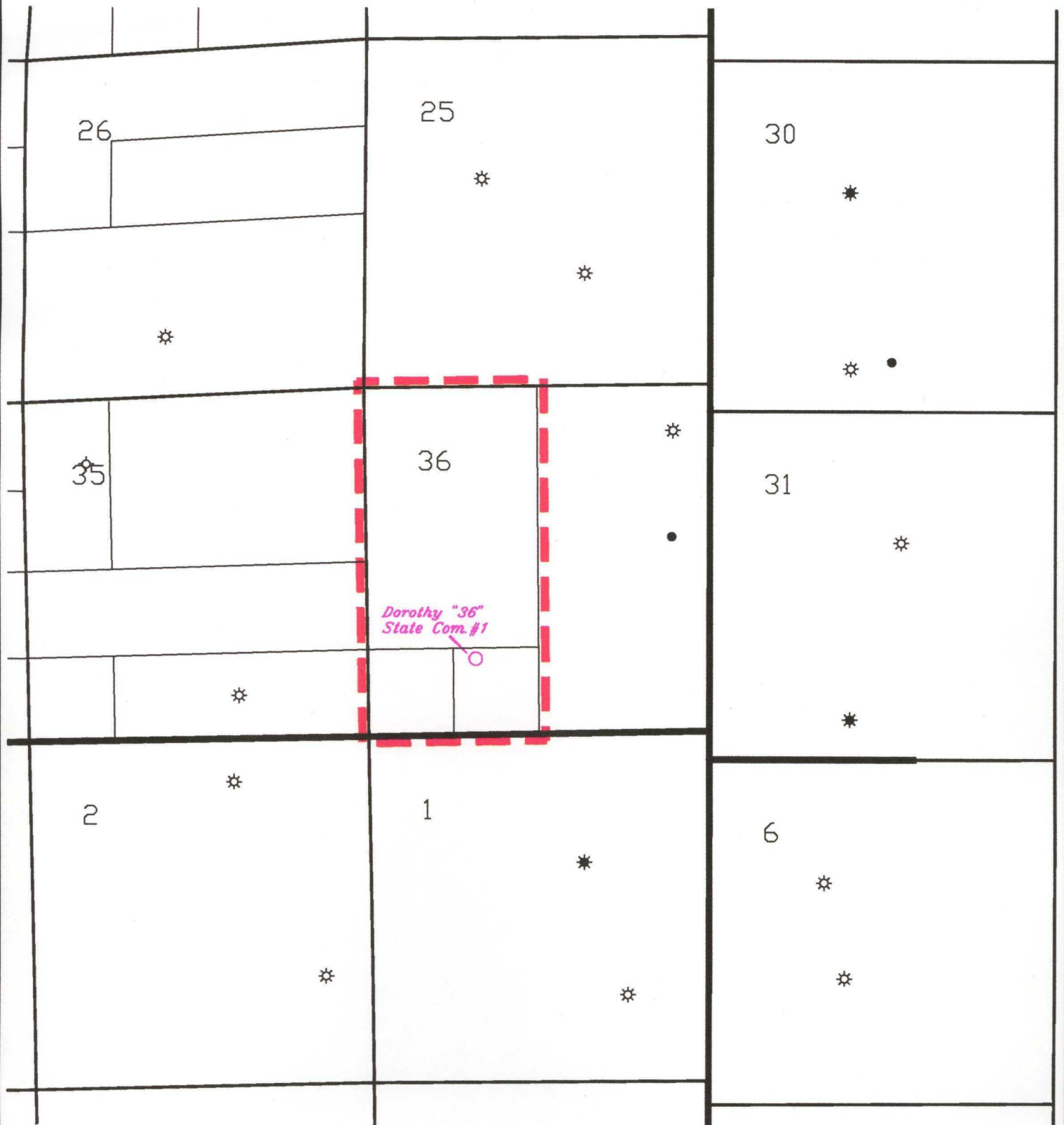
cc: Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 1

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996



**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 2

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

ARCO Permian 
a Unit of Atlantic Richfield Company

EMPIRE ABO AREA
Eddy County, New Mexico

**Lease Ownership
DOROTHY PROSPECT
T 17 S R 28 E**

Section 36, W/2
(wells shown are MORROW penetrations)

By: Lee Scarborough	Drawn By: KAM	Date: 12-20-95
Date: 12-20-95	Revised By: KAM	Date: 1-9-96
Dept: Land Admin.	Dwg No.: EMPRTXT nm\maps	

36

Below Base of Abo
ARCO-50.0000%
Yates Pet-18.0556%
Dreyfus-15.9722%
Marathon-15.9722%

*Dorothy "36"
State Com. #1*

Below 2900'
ARCO-100%

Below 2900'
Sun Op Ltd-100%

1163'

1647'

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 3

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

ARCO Permian 
a Unit of Atlantic Richfield Company

EMPIRE ABO AREA
Eddy County, New Mexico

Lease Ownership
DOROTHY PROSPECT
T 17 S R 28 E
Section 36, W/2

By: Lee Scarborough	Drawn By: KAM	Date: 12-20-95
Date: 12-20-95	Revised By:	Date:
Dept: Land Admin.	Dwg No.: EMPRTXT nm\mops	

WI OWNER	spacing 320	TRACT1			TRACT2			TRACT3		
		TOTAL UNIT%	TR%	TR AC	UNT%	TR%	TR AC	UNT%	TR%	TR AC
✓ ARCO		.2500000000	.5000000000	240	.3750000000	1.0000000000	40	.1250000000		
✓ AMOCO		.2500000000								
✓ DREYFUS		.1197916667	.1597222222	240	.1197916650					
✓ MARATHON		.1197916667	.1597222222	240	.1197916650					
✓ YATES PET		.1354166666	.1805555556	240	.1354166620					
✓ SUN OPERATING LTD		.1250000000						1.0000000000	40	.1250000000
TOTALS		1.0000000000	1.0000000000	240		1.0000000000	40		1.0000000000	40

✓ = committed under

88% voluntary

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 4

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

EXHIBIT 5

Letters Reflecting Attempts To Obtain Voluntary Joinder

DOROTHY "36" STATE COM WELL NO. 1

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 5

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996



ARCO Permian
500 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Mr. Robert H. Bullock
Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

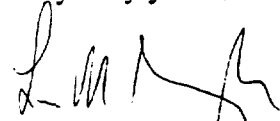
Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
500 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Texas Independent Exploration, Inc.
1300 Main, Suite 1435
Houston, Texas 77063

CERTIFIED MAIL
Return Receipt Requested

**Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico**

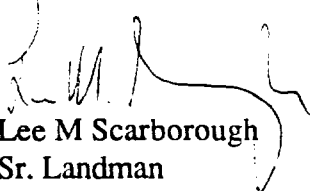
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Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
600 North Marientfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Parker & Parsley Acquisition Company
P. O. Box 3178
Midland, Texas 79702

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

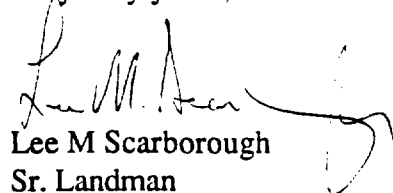
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Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
300 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Brothers Production Co.
6 Desta Drive, Suite 5700
Midland, Texas 79705

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

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Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,

Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Doyle Hartman
3811 Turtle Creek Blvd., Suite 730
Dallas, Texas 75219

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

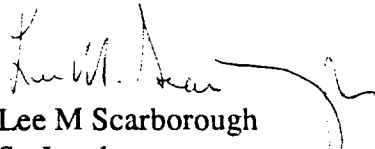
Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

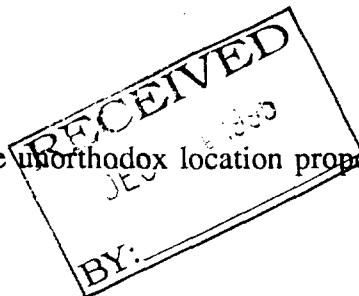
Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: Doyle Hartman
Name: Doyle Hartman
Title: _____
Date: 11/28/95





ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

RECEIVED
NOV 08 1995
MIDLAND LAND DEPT.

November 28, 1995

Ms. Carol Myers
Louis Dreyfus Gas Holdings, Inc.
14000 Quail Springs Parkway, #600
Oklahoma City, Oklahoma 73134

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

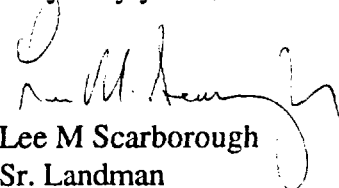
Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: Louis Dreyfus Natural Gas Corp.

Name: James C. Welch

Title: Land Manager

Date: 12/5/95



ARCO Permian
600 North Mariefeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Mr. Randal Wilson
Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

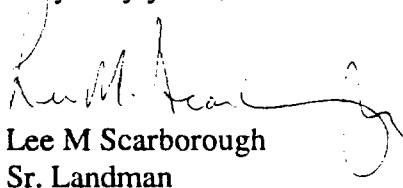
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If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,


Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: **MARATHON OIL COMPANY**
Name: Joseph M. Malin
Title: Assistant General Manager
Date: December 22, 1995

RECEIVED
1995
MARATHON OIL COMPANY
LAND DEPARTMENT



ARCO Permian
500 North Marientfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 28, 1995

Mr. Larry West
Amoco Production Company
501 Westlake Park Boulevard
Houston, Texas 77253

CERTIFIED MAIL
Return Receipt Requested

Re: Offset Operator Notification of
Unorthodox Location
Dorothy State Com #1
T17S, R28E, Section 36
1163' FSL and 1647' FWL
Eddy County, New Mexico

Ladies and Gentlemen:

ARCO Permian plans to drill the captioned well at the unorthodox location set for the above. This location is unorthodox because it does not comply with the well spacing requirement set forth in New Mexico Oil Conservation Division Rule 104.C(2)(a).

If you have no objections to this unorthodox location, please signify your approval below and return one executed copy of this letter, stamped envelope enclosed, to the undersigned.

Should you have any questions concerning this matter, please contact the undersigned at (915) 688-5270.

Very truly yours,

Lee M Scarborough
Sr. Landman

LMS/sb

The undersigned hereby waives any objection to the unorthodox location proposed by ARCO Permian.

Company: _____
Name: _____
Title: _____
Date: _____



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 27, 1995

Sun Operating Limited Partnership
13155 Noel Road
Dallas, Texas 75240

Attention: Mr. Fred Winters

Re: Offer to Purchase
State of New Mexico Lease B-11493
T17S, R28E
Section 27: NW/4 SW/4
Section 36: SE/4 SW/4
Eddy County, New Mexico

Gentlemen:

ARCO Permian offers to purchase your operating rights in the referenced State of New Mexico Lease under the following terms:

1. \$150.00 per acre
2. All depths below the base of the Abo in Section 27.
All depths in Section 36.
3. An 87.5% NRI to be delivered to ARCO.

Please contact me at your earliest convenience to discuss this offer. My telephone number is (915) 688-5270.

Very truly yours,

Lee M. Scarborough
Sr. Landman

LMS/sb

**NORTHBRIDGE ENERGY COMPANY**

P.O. Box 1403, Purcell, OK 73080 • (405) 527-1558 • FAX (405) 527-5182

October 10, 1995

Mr. Steve Foerster
Oryx Energy Company
13155 Noel Road
Dallas, Texas 75240

Re: NW/4 SW/4 - Sec. 27-17S-28E
Eddy County, N.M.
Ester Prospect

Dear Mr. Foerster:

Northridge Energy Company ("NEC") is interested in acquiring a term assignment on your leasehold interest in the above referenced land. Please consider the following terms of our offer:

- a. \$100.00 per net leasehold acre as to all formations below the Abo Formation.
- b. Term Assignment of 2 years.
- c. Deliver a 81.25% NRI to NEC.

This offer is subject to the following conditions:

NEC be allowed to review your files for unrecorded burdens, title problems and/or contracts.

Your being able to provide valid recordable title at the Eddy County court house and the Bureau of Land Management office.

This offer may be revoked upon either of the following conditions:

Failure of title

Burdens or contracts, recorded or unrecorded, that are in NEC's opinion, unacceptable.

If this offer is not acceptable to you, I would appreciate a telephone call so that we can discuss it. This offer is valid for 15 days from the above date. After that time NEC retains the right to withdraw this offer. If you have any questions, please feel free to contact me at (405) 527-1558.

Thank you for giving this matter your prompt attention.

Sincerely,

Daniel H. Whiteside
Northridge Energy Company

DHW/s

**NORTHEDGE ENERGY COMPANY**

P.O. Box 1403, Purcell, OK 73080 • (405) 527-1558 • FAX (405) 527-5182

October 2, 1995

Oryx Energy Company
13155 Noel Road
Dallas, Texas 75248

Re: NW/4 SW/4 - Sec. 27-17S-28E
Eddy County, N.M.
Ester Prospect

214-715-4754

Gentlemen:

Northridge Energy Company ("NEC") is interested in acquiring a term assignment on your leasehold interest in the above referenced land. Please consider the following terms of our offer:

- a. \$100.00 per net leasehold acre as to all formations below the Abo Formation.
- b. Term Assignment of 2 years.
- c. Deliver a 81.25% NRI to NEC.

This offer is subject to the following conditions:

NEC be allowed to review your files for unrecorded burdens, title problems and/or contracts.

Your being able to provide valid recordable title at the Eddy County court house and the Bureau of Land Management office.

This offer may be revoked upon either of the following conditions:

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Burdens or contracts, recorded or unrecorded, that are in NEC's opinion, unacceptable.

If this offer is not acceptable to you, I would appreciate a telephone call so that we can discuss it. This offer is valid for 15 days from the above date. After that time NEC retains the right to withdraw this offer. If you have any questions, please feel free to contact me at (405) 527-1558.

Thank you for giving this matter your prompt attention.

Sincerely,

Daniel H. Whiteside
Northridge Energy Company

DHW/s



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Sun Operating Limited Partnership
13155 Noel Road
Dallas, Texas 75240

Attention: Mr. Steve Foerster

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Sun Operating Limited Partnership desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Sun Operating Limited Partnership does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Sun Operating Limited Partnership shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Sun Operating Limited Partnership will be subject to proportionate reduction.

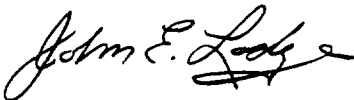
4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian

A handwritten signature in cursive script, appearing to read "John E. Lodge".

John E. Lodge
Land Director

JEL:pc
Enclosure

Sun Operating Limited Partnership

November 2, 1995

Page 3

Sun Operating Limited Partnership hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Sun Operating Limited Partnership

By: _____

Date: _____

Sun Operating Limited Partnership hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Sun Operating Limited Partnership

By: _____

Date: _____

Sun Operating Limited Partnership hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well

Sun Operating Limited Partnership

By: _____

Date: _____

☐ Supplement ☒ Original

Well name		Dorothy 36 State Com #1		TD		11,100'		
Location								
SE/4 SW/4, Section 36, T-17-S, R-28-E, Eddy County, New Mexico								
District				Area or Group		Field		
SE New Mexico Asset Area						Empire		
Objective								
Morrow				@		10750 Ft.		
				@				
<input checked="" type="checkbox"/> Development 9171				<input checked="" type="checkbox"/> Single				
<input type="checkbox"/> Exploratory 9172				<input type="checkbox"/> Dual				
<input type="checkbox"/> Workover/ 9171				<input type="checkbox"/> Multiple				
Recompletion								
				Data Processing Information				
				APC No.				
				Original/Revision Indicator				
				1=Original 1				
				2=Revision				
Tangible Costs - SUB 500 and 550								
1. Tubular goods				Drilling	Evaluation	Completion	Elem	Total Gross Dollars
13 3/8 " OD from 0 ft. to 500				10,000			5 1 3	10,000
8 5/8 " OD from 0 ft. to 2600				21,000			5 8 5	21,000
" OD from ft. to								0
5 1/2 " OD from 0 ft. to 11100						60,000	5 5 5	60,000
2 7/8 " OD from 0 ft. to 10,700						50,000	5 2 7	50,000
" OD from ft. to								0
" OD from ft. to								0
								0
2. Casinghead, Tubinghead, Christmas Tree				5,000		8,000	5 0 4	13,000
3. Tubing Accessories						4,000	5 0 6	4,000
4. Artificial Lift Accessories							5 0 7	0
5. Well Protective Structures							5 0 8	0
6. Unclassified				1,000		2,000	0 0 0	3,000
7. Additional Basis (Sub 550)								0
Casinghead, Tubinghead, Christmas Tree							5 0 4	0
Tubing Accessories							5 0 6	0
Artificial Lift Accessories							5 0 7	0
Well Protective Structures							5 0 8	0
TOTAL TANGIBLES				37,000	0	124,000		161,000
Intangible Costs - SUB 600								
8. Contract Engineering Technical				16,000		4,000	0 1 3	20,000
9. Boat Operations							0 5 3	0
10. Minor Supplies							0 7 8	0
11. Electric Power and Light							2 4 1	0
12. Diesel Fuel							2 4 2	0
13. Natural Gas							2 4 3	0
14. Water				10,000		5,000	2 4 6	15,000
15. Property and Equipment Rentals				4,000		2,000	2 4 8	6,000
16. Security, Safety, and Firefighting				2,000		2,000	2 5 0	4,000
17. Tubular Testing, and Inspection				2,000		3,000	5 0 3	5,000
18. Trucking Tubulars				2,000		4,000	5 0 9	6,000
19. Casing Accessories				5,000		5,000	5 1 2	10,000
20. Site Preparation and Maintenance				20,000		5,000	5 1 4	25,000
21. Permits, Insurance, and Damages				3,000			5 1 5	3,000
22. Rig Moving Expense							5 1 7	0
23. Shorebases							5 2 1	0
24. Camp Housekeeping							5 2 2	0
25. Reclamation				2,000		2,000	5 2 5	4,000
26. Air Freight and Transportation							5 2 8	0
27. Disposal and Cleanup				5,000		2,000	5 3 1	7,000

Well name Dorothy 36 State Com #1	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement		Original/Revision Indicator 1=Original 1 2=Revision	
Location Eddy County, New Mexico	<div style="border: 1px solid black; padding: 5px;"> AFC No. </div>			
District SE New Mexico Asset Area				

	Drilling	Evaluation	Completion	Elem	Total Gross Dollars
Intangible Costs (Cont'd) - SUB 600					
28. Contract Footage Drilling <u>0</u> ft. @ \$ <u>0.00</u> per foot				5 3 2	0
29. Contract Drilling Daywork Drilling <u>36</u> days @ : <u>4,500.00</u> per day	162,000			5 3 3	162,000
30. Mobilization, Demobilization & Rig Mod.	30,000			5 3 4	30,000
31. Roads and Alstrips				5 3 6	0
32. Completion/Workover Daywork <u>10</u> days @ : <u>1,000.00</u> per day			10,000	5 4 2	10,000
33. Drill String & BHA Rental			1,000	5 4 3	1,000
34. Well Control Equipment			1,000	5 4 7	1,000
35. Bits, Underreamers, & Hole Openers ____ - ____ : ____ - ____ : ____ - ____ : ____ - ____ : ____ - ____ :	50,000		1,000	5 4 8	51,000
36. Drilling Mud and Transportation	30,000			5 5 1	30,000
37. Drilling Mud Equipment and Services	5,000			5 5 2	5,000
38. Completion Fluids			2,000	5 5 3	2,000
39. Open Hole Surveys	20,000			5 5 7	20,000
40. Wireline Work				5 5 9	0
41. Formation Monitoring	8,000			5 6 0	8,000
42. Cased Hole Surveys and perf. Fees			8,000	5 6 1	8,000
43. Surface Well Test Equipment			1,000	5 6 3	1,000
44. Coring and Analysis				5 6 8	0
45. Drill Stem Test Equipment	5,000			5 7 2	5,000
46. Fracturing, Acidizing, and Gravel Pack				5 7 7	0
47. Divers				5 7 8	0
48. Fishing Tool Rental				5 8 0	0
49. Directional Drilling Tool Rental	25,000			5 8 1	25,000
50. Telecommunications & Navigational Needs				5 8 2	0
51. Material Losses				5 8 8	0
52. Capitalized Overhead	36,800		16,000	6 0 4	52,800
53. Cement Running Fees for Casing & Tubing <u>13 3/8</u> " OD <u>400</u> Sacks	4,000			6 1 3	4,000
<u>8 5/8</u> " OD <u>1000</u> Sacks	8,000			6 8 5	8,000
<u>5 1/2</u> " OD <u>1000</u> Sacks			17,000	6 5 5	17,000
					0
54. Cementing - Squeezes & Plugs				6 9 9	0
55. Unclassified	5,000		2,000	0 0 0	7,000
					0
					0
TOTAL INTANGIBLES	459,800	0	93,000		552,800
TOTAL COST (Tangibles & Intangibles)	496,800	0	217,000		713,800
EVALUATED COST	496,800				
COMPLETED WELL COST	713,800				



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5237

John Lodge
Manager, Land Administration
Land, Marketing & External Affairs

November 15, 1995

Working Interest Owners
(see attached distribution list)

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Ladies and Gentlemen:

Reference is hereby made to my letter dated November 2, 1995, addressed to each working interest owner separately, wherein ARCO Permian, a Unit of Atlantic Richfield Company, proposed the drilling of the captioned well at an approximate location 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. Please be advised that we have now surveyed this location and herewith enclose for your files one (1) copy of the location verification map and survey plat. Please note that the surveyed location continues to be located on the SE/4SW/4 of said Section 36, but is actually situated 1163' FSL and 1647' FWL of such Section 36.

Should you have any questions or problems concerning this matter, please do not hesitate in contacting me.

Sincerely,

ARCO Permian

John E. Lodge

JEL:pb
Enclosure

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 90, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name DOROTHY 36 STATE COM.	Well Number 1
OGRID No.	Operator Name ARCO PERMIAN	Elevation 3674

Surface Location

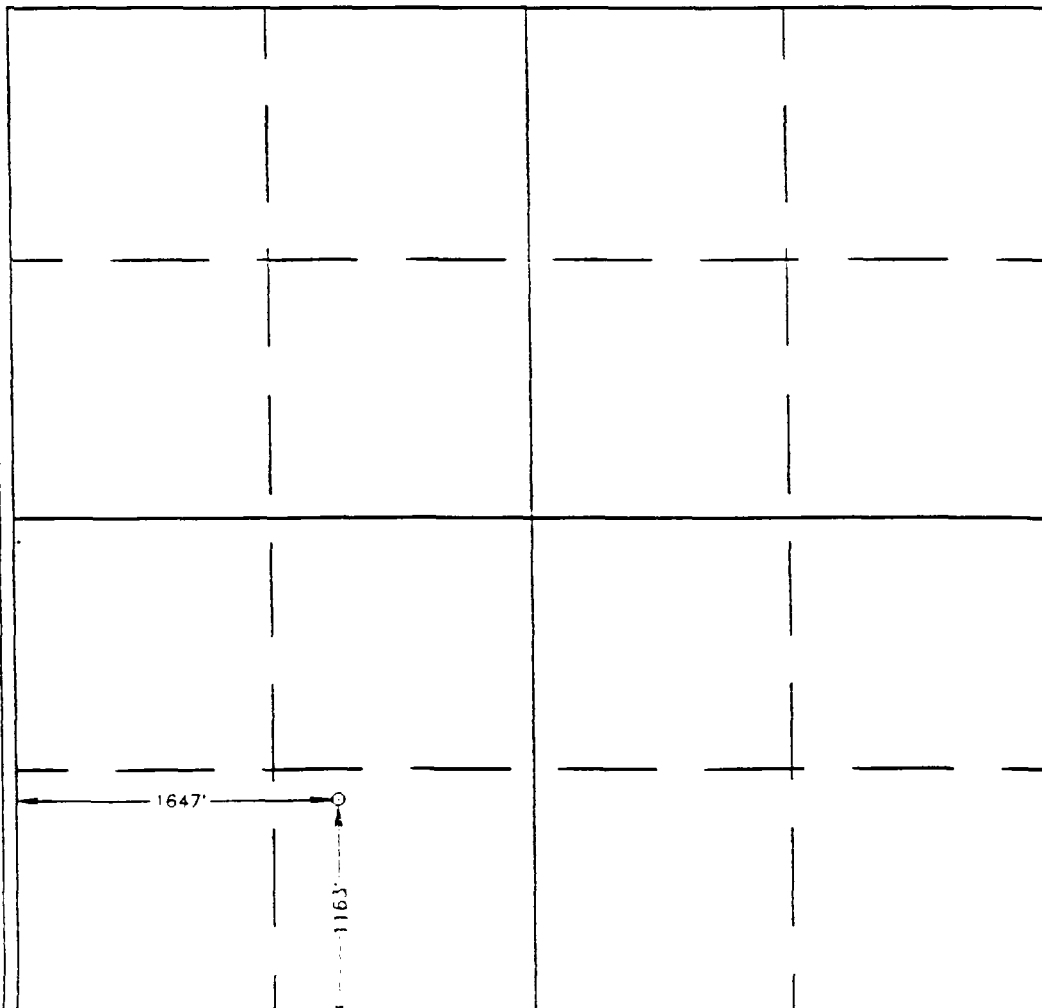
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	36	17 S	28 E		1163	SOUTH	1647	WEST	EDDY

Bottom Hole Location If Different From Surface

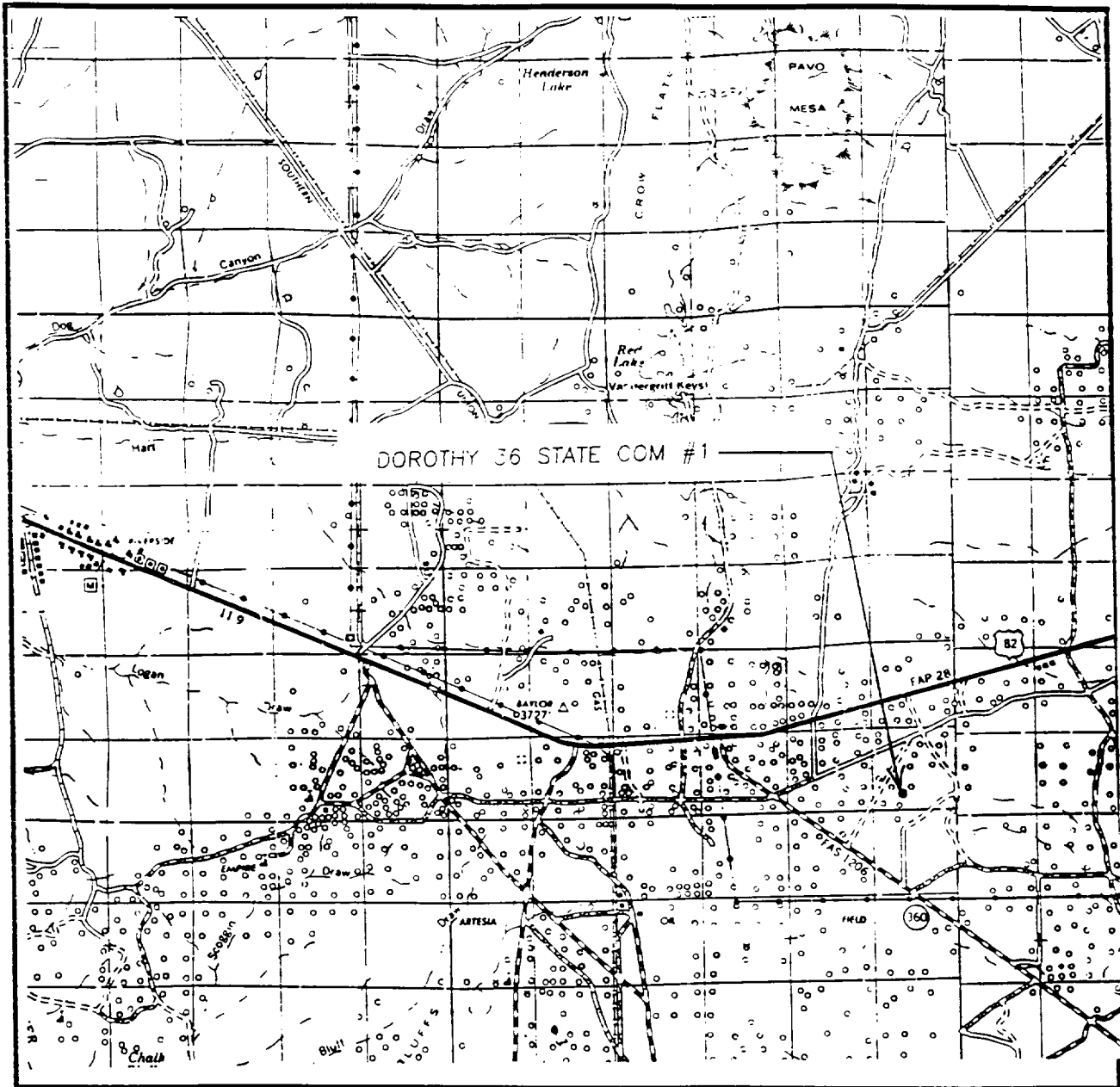
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature _____ Printed Name _____ Title _____ Date _____
	SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</i> NOVEMBER 7, 1995 Data Surveyed _____ SJA Signature & Seal of Professional Surveyor _____ NEW MEXICO J. W. O. Yum 95-10-1749 Certificate No. JOHN W. EIDSON 676 3239 12641

VICINITY MAP

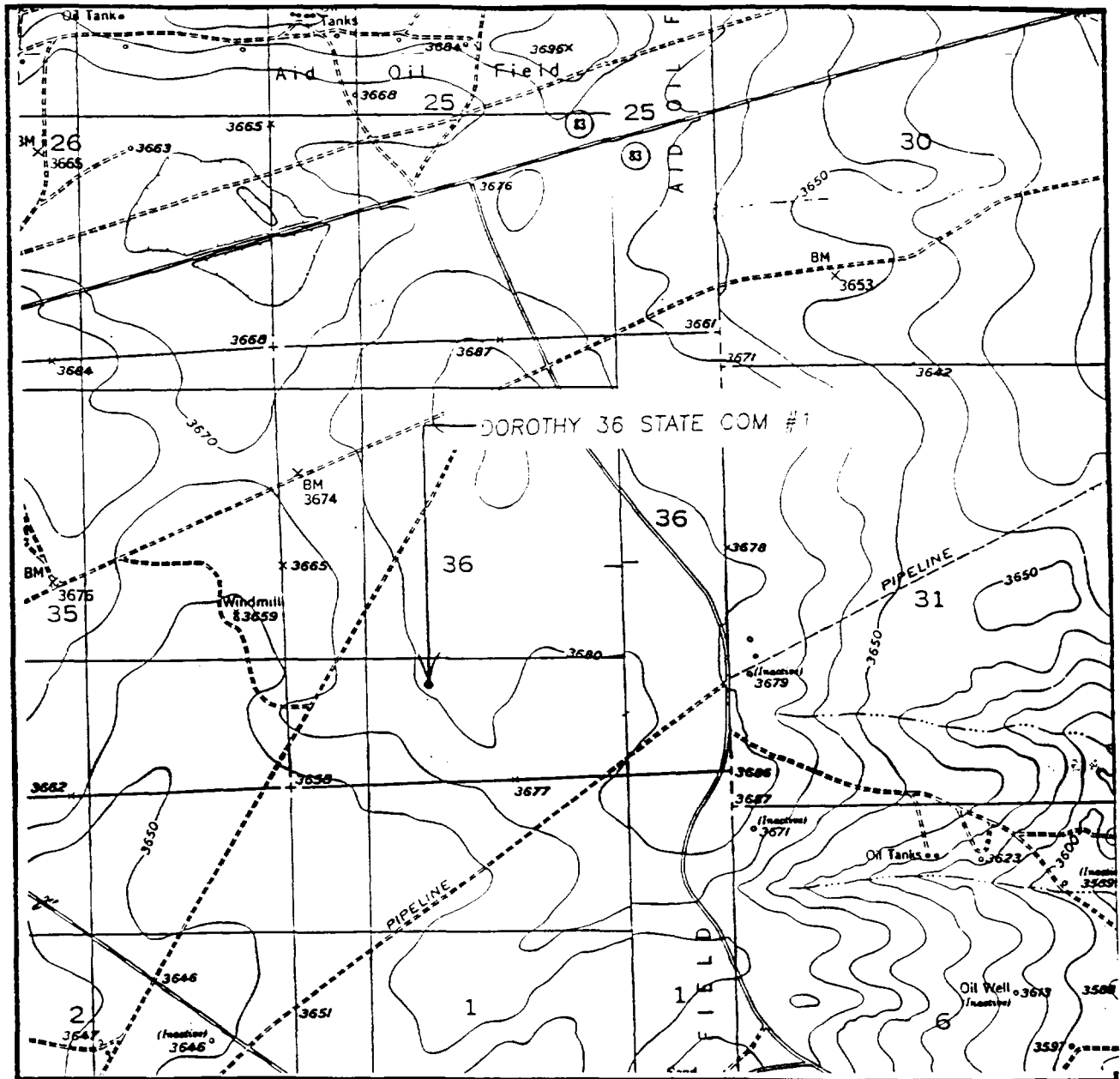


SCALE: 1" = 2 MILES

SEC. 36 TWP. 17-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 1163' FSL & 1647' FWL
 ELEVATION 3674
 OPERATOR ARCO PERMIAN
 LEASE DOROTHY 36 STATE COM.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: - 10'

SEC. 36 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1163' FSL & 1647' FWL

ELEVATION 3674

OPERATOR ARCO PERMIAN

LEASE DOROTHY 36 STATE COM.

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE, RED LAKE SE. N.M.

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

Working Interest Owners
Identified Below

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Sun Operating Limited Partnership
13155 Noel Road
Dallas, Texas 75240
Attention: Mr. Fred Winter

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Mr. Robert H. Bullock

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134
Attention: Ms. Carol Myers

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552
Attention: Mr. Randal Wilson

Amoco Production Company
501 Westlake Park Boulevard
Houston, Texas 77253
Attention: Mr. Jerry West

30-015-000032-001

30-015-003450-0013



ARCO Permian
600 North Marientfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 1, 1995

CERTIFIED MAIL

Amoco Production Company
501 WestLake Park Boulevard
Houston, Texas 77253

Attention: Mr. Jerry West

RE: Empire Area; Area of Mutual Interest Agreement; Dorothy Prospect;
Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico
AR-105149

Dear Mr. West:

Reference is hereby made to that certain Area of Mutual Interest Agreement dated effective September 1, 1994 by and between Atlantic Richfield Company ("ARCO") and Amoco Production Company ("AMOCO") concerning the captioned area. Pursuant to the terms and provisions of Article IV of said agreement, please be advised that ARCO hereby proposes the drilling of a 11,100' Morrow well to be located approximately 1200' FSL and 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. Said test well shall be construed for all purposes under said agreement as the initial well on the Dorothy Prospect. Consequently, enclosed herewith for your perusal you will find the following information :

1. One (1) copy of our current Geological /Geophysical Interpretation of the Dorothy Prospect;
2. One (1) copy of a Drilling Cost Estimate;
3. One (1) copy of an Authority For Expenditure;
4. One (1) copy of the land ownership information for the Dorothy Prospect.

Please be advised that I am currently in the process of having a Drillsite Title Opinion prepared covering the W/2 of the above described Section 36, which would be the anticipated spacing and proration unit for said initial well. Upon receipt of such opinion,

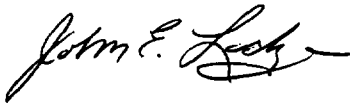
I will forward a copy of same to your attention for review. As of this date, ARCO currently owns or controls approximately 160 net leasehold acres within the W/2 of said Section 36. Consequently, if all parties who own leasehold acreage within the anticipated spacing and proration unit elect to participate in the drilling of this well, ARCO and AMOCO would each have a 25% working interest and 21.875% net revenue interest. However, the final interests of the participating parties will not be determined until a formal well proposal has been submitted to all parties. In addition, we are currently in the process of getting the proposed location surveyed, which may result in minor changes based upon surface conditions and tying same to our seismic grid.

Please indicate AMOCO's election below in the space provided, of either to participate or not to participate in the drilling of the captioned well and return one (1) copy of this letter to the undersigned within thirty (30) days from your receipt of same. I will formally propose the drilling of this well to all parties who own leasehold acreage within the anticipated spacing and proration unit and will advise you of any additional interest that we may possibly acquire. Upon finalization of the working interest in this well, I will prepare an original Operating Agreement, with the surveyed location indicated therein, and an Authority For Expenditure for your signature, should you elect to participate. As previously discussed, Atlantic Richfield Company would like to commence the drilling of this well this year. However, inasmuch as our proposed location is an unorthodox location, we may be delayed if required to conduct an NMOCD hearing.

Should you have any questions or problems concerning this matter, please do not hesitate in contacting me.

Sincerely,

ARCO Permian



John E. Lodge
Land Director

JEL:pc
enclosures

cc: Mr. Dave Cole - Amoco

Amoco Production Company
November 1, 1995
Page 3

ELECT TO PARTICIPATE IN THE DRILLING OF THE DOROTHY 36 STATE COM.
NO. 1 WELL THIS 30th DAY OF NOVEMBER, 1995.

AMOCO PRODUCTION COMPANY

By: W. R. Lukes *2015*

Title: LAND MANAGER

ELECT NOT TO PARTICIPATE IN THE DRILLING OF THE DOROTHY 36 STATE
COM. NO. 1 WELL THIS _____ DAY OF _____, 1995.

AMOCO PRODUCTION COMPANY

By: _____

Title: _____



ARCO Permian
500 North Marientfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Mr. Randal Wilson

Certified Mail - Return Receipt Requested

RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Marathon Oil Company desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Marathon Oil Company does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

Marathon Oil Company
November 2, 1995
Page 2

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Marathon Oil Company shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Marathon Oil Company will be subject to proportionate reduction.

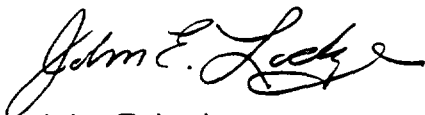
4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian

A handwritten signature in cursive script, reading "John E. Lodge".

John E. Lodge
Land Director

JEL:pc
Enclosure

Marathon Oil Company
November 2, 1995
Page 3

Marathon Oil Company hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Marathon Oil Company

By: Joseph J. Mariani

Date: December 22, 1985

~~Marathon Oil Company hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well~~

~~Marathon Oil Company~~

~~By: _____~~

~~Date: _____~~

~~Marathon Oil Company hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well~~

~~Marathon Oil Company~~

~~By: _____~~

~~Date: _____~~



ARCO Permian
300 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

December 20, 1995

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Mr. Randal P. Wilson

**Re: Dorothy 36 State Com #1 Well
1163' FSL & 1647' FWL, Section 36
Township 17 South, Range 28 East
Eddy County, New Mexico**

Gentlemen:

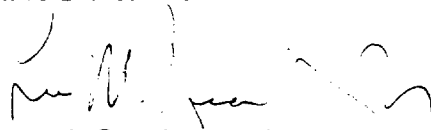
Reference is hereby made to our prior telephone discussions and that certain letter dated November 2, 1995 from ARCO Permian, a unit of Atlantic Richfield Company ("ARCO"), and Marathon Oil Company ("Marathon"), whereby ARCO proposed to drill an 11,100' Morrow test well ("test well") at an unorthodox location approximately 1163' FSL and 1647' FWL of the above described Section 36. The purpose of this letter is to confirm the commitment of MARATHON to ARCO of either to i) farmout its leasehold interest in the hereinafter described lands to ARCO for the drilling of said test well, or ii) participate with a working interest in the drilling of said test well, on the following basis:

1. ARCO agrees to make a geological presentation of the referenced area to MARATHON on December 21, 1995 to assist MARATHON in determining if it desires to participate in the drilling of said above mentioned test well.
2. Within seven (7) days after ARCO makes the above mentioned geological presentation to MARATHON, MARATHON shall provide written notice to ARCO of its desire to either participate in the drilling of said test well or to farmout its leasehold interest to ARCO as hereinafter provided.

3. In the event that MARATHON elects to participate in the drilling of the test well, it shall do so to the full extent of its leasehold contribution to the spacing unit allocated to such well, which would be the W/2 of the above described Section 36. A mutually acceptable Operating Agreement will be entered by ARCO and MARATHON, with ARCO designated as operator, to govern this operation prior to the drilling of this well.
4. In the event that MARATHON elects not to participate in the drilling of the test well, MARATHON will farmout all of its leasehold interest to ARCO in the NW/4 and N/2SW/4 of said Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:
 - A. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at approximately the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.
 - B. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all MARATHON's leasehold interest in the NW/4 and N/2SW/4 of said Section 36, insofar and only insofar as same is included with the geographic boundary of the proration unit for said well, from below the base of the ABO formation down to a depth of 100' below the total depth drilled. MARATHON shall retain an overriding royalty interest in an amount being equal to the difference between all existing leasehold burdens and twenty-five percent (25%).
 - C. Any overriding royalty interest retained by MARATHON will be subject to proportionate reduction.
 - D. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

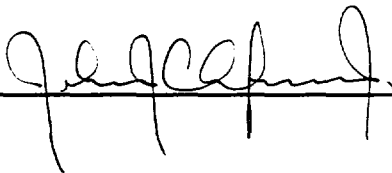
If you are in agreement with all of the above terms, please so indicate by signing below in the space so indicated and return one (1) copy of this letter to the undersigned.

Very truly yours,
ARGO Permian


Lee M. Scarborough
Land Director

ACCEPTED AND AGREED TO THIS 21 DAY OF DECEMBER 1995.

Marathon Oil Company

By: _____



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mr. Randy Patterson

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Yates Petroleum Corporation desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Yates Petroleum Corporation does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

Yates Petroleum Corporation
November 2, 1995
Page 2

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Yates Petroleum Corporation shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Yates Petroleum Corporation will be subject to proportionate reduction.

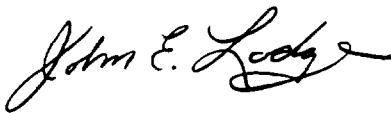
4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian

A handwritten signature in cursive script, reading "John E. Lodge".

John E. Lodge
Land Director

JEL:pc
Enclosure

Yates Petroleum Corporation

November 2, 1995

Page 3

Yates Petroleum Corporation hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Yates Petroleum Corporation

13.5375%

By: 

Date: 1-3-96

Yates Petroleum Corporation hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Yates Petroleum Corporation

By: _____

Date: _____

Yates Petroleum Corporation hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well

Yates Petroleum Corporation

By: _____

Date: _____



Supplement



Original

Well name Dorothy 36 State Com #1		TD 11,100'
Location SE/4 SW/4, Section 36, T-17-S, R-28-E, Eddy County, New Mexico		
District SE New Mexico Asset Area	Area or Group	Field Empire
Objective Morrow @ 10750 Ft.		@ Ft.

<input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion	Gen	<input checked="" type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple	Data Processing Information	
	9171		APC No. 	Original/Revision Indicator
	9172			1=Original 1
	9171			2=Revision

Tangible Costs - SUB 500 and 550

1. Tubular goods	Drilling	Evaluation	Completion	Item	Total Gross Dollars
13 3/8 * OD from 0 ft. to 500	10,000			5 1 3	10,000
8 5/8 * OD from 0 ft. to 2600	21,000			5 8 5	21,000
* OD from ft. to					0
5 1/2 * OD from 0 ft. to 11100			60,000	5 5 5	60,000
2 7/8 * OD from 0 ft. to 10,700			50,000	5 2 7	50,000
* OD from ft. to					0
* OD from ft. to					0
					0
2. Casinghead, Tubinghead, Christmas Tree	5,000		8,000	5 0 4	13,000
3. Tubing Accessories			4,000	5 0 6	4,000
4. Artificial Lift Accessories				5 0 7	0
5. Well Protective Structures				5 0 8	0
6. Unclassified	1,000		2,000	0 0 0	3,000
7. Additional Basis (Sub 550)					0
Casinghead, Tubinghead, Christmas Tree				5 0 4	0
Tubing Accessories				5 0 6	0
Artificial Lift Accessories				5 0 7	0
Well Protective Structures				5 0 8	0
TOTAL TANGIBLES	37,000	0	124,000		161,000

Intangible Costs - SUB 600

8. Contract Engineering Technical	16,000		4,000	0 1 3	20,000
9. Boat Operations				0 5 3	0
10. Minor Supplies				0 7 8	0
11. Electric Power and Light				2 4 1	0
12. Diesel Fuel				2 4 2	0
13. Natural Gas				2 4 3	0
14. Water	10,000		5,000	2 4 6	15,000
15. Property and Equipment Rentals	4,000		2,000	2 4 8	6,000
16. Security, Safety, and Firefighting	2,000		2,000	2 5 0	4,000
17. Tubular Testing, and Inspection	2,000		3,000	5 0 3	5,000
18. Trucking Tubulars	2,000		4,000	5 0 9	6,000
19. Casing Accessories	5,000		5,000	5 1 2	10,000
20. Site Preparation and Maintenance	20,000		5,000	5 1 4	25,000
21. Permits, Insurance, and Damages	3,000			5 1 5	3,000
22. Rig Moving Expense				5 1 7	0
23. Shorebases				5 2 1	0
24. Camp Housekeeping				5 2 2	0
25. Reclamation	2,000		2,000	5 2 5	4,000
26. Air Freight and Transportation				5 2 8	0
27. Disposal and Cleanup	5,000		2,000	5 3 1	7,000

Well name Dorothy 36 State Com #1	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement		Original/Revision Indicator 1=Original 1 2=Revision	
Location Eddy County, New Mexico	<div style="border: 1px solid black; padding: 5px;"> AFC No. </div>			
District SE New Mexico Asset Area				

Intangible Costs (Cont'd) - SUB 600	Drilling	Evaluation	Completion	Elem		Total Gross Dollars
28. Contract Footage Drilling <u>0</u> ft. @ \$ <u>0.00</u> per foot				5	3 2	0
29. Contract Drilling Daywork Drilling <u>36</u> days @ \$ <u>4,500.00</u> per day	162,000			5	3 3	162,000
30. Mobilization, Demobilization & Rig Mod.	30,000			5	3 4	30,000
31. Roads and Alstrips				5	3 6	0
32. Completion/Workover Daywork <u>10</u> days @ \$ <u>1,000.00</u> per day			10,000	5	4 2	10,000
33. Drill String & BHA Rental			1,000	5	4 3	1,000
34. Well Control Equipment			1,000	5	4 7	1,000
35. Bits, Underreamers, & Hole Openers ____ : ____ : ____ : ____ : ____ : ____ : ____ : ____ :	50,000		1,000	5	4 8	51,000
36. Drilling Mud and Transportation	30,000			5	5 1	30,000
37. Drilling Mud Equipment and Services	5,000			5	5 2	5,000
38. Completion Fluids			2,000	5	5 3	2,000
39. Open Hole Surveys	20,000			5	5 7	20,000
40. Wireline Work				5	5 9	0
41. Formation Monitoring	8,000			5	6 0	8,000
42. Cased Hole Surveys and perf. Fees			8,000	5	6 1	8,000
43. Surface Well Test Equipment			1,000	5	6 3	1,000
44. Coring and Analysis				5	6 8	0
45. Drill Stem Test Equipment	5,000			5	7 2	5,000
46. Fracturing, Acidizing, and Gravel Pack				5	7 7	0
47. Divers				5	7 8	0
48. Fishing Tool Rental				5	8 0	0
49. Directional Drilling Tool Rental	25,000			5	8 1	25,000
50. Telecommunications & Navigational Needs				5	8 2	0
51. Material Losses				5	8 8	0
52. Capitalized Overhead	36,800		16,000	6	0 4	52,800
53. Cement Running Fees for Casing & Tubing <u>13 3/8</u> " OD <u>400</u> Sacks <u>8 5/8</u> " OD <u>1000</u> Sacks <u>5 1/2</u> " OD <u>1000</u> Sacks	4,000 8,000 17,000			6 6 6	1 3 8 5 5 5	4,000 8,000 17,000
54. Cementing - Squeezes & Plugs				6	9 9	0
55. Unclassified	5,000		2,000	0	0 0	7,000
						0
						0
TOTAL INTANGIBLES	459,800	0	93,000			552,800
TOTAL COST (Tangibles & Intangibles)	496,800	0	217,000			713,800
EVALUATED COST	496,800					
COMPLETED WELL COST	713,800					



ARCO Permian
500 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

November 2, 1995

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134

Attention: Ms. Carol Myers

Certified Mail - Return Receipt Requested

**RE: Dorothy 36 State Com. No. 1 Well
Township 17 South, Range 28 East
Section 36: SE/4SW/4
Eddy County, New Mexico**

Gentlemen:

Please be advised that ARCO Permian, a unit of Atlantic Richfield Company, hereinafter referred to as "ARCO", hereby proposes the drilling of an 11,100' Morrow test well at a location approximately 1200' FSL & 1400' FWL of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico. It is currently anticipated that the drilling and proration unit for this well would be the W/2 of said Section 36. Attached hereto for your perusal, you will find a copy of our drilling cost estimate for this well which indicates a dry hole cost of \$496,800 and total completed well cost of \$713,800.

Please indicate your election below of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned. In the event that Marathon Oil Company desires to participate in the drilling of this well, I will be happy to submit an Operating Agreement to you for your review. In the event that Marathon Oil Company does not desire to participate in the drilling of this well, then ARCO hereby requests a Farmout of your leasehold interest in the W/2 of Section 36, Township 17 South, Range 28 East, Eddy County, New Mexico on the following basis:

1. Within 180 days of the execution of a formal Farmout Agreement, ARCO will commence or cause to be commenced the drilling of an initial test well at the above referenced location. Thereafter, said well shall be drilled to a depth of 11,100' or to a depth sufficient to adequately test the Morrow formation, whichever is the lesser depth.

Louis Dreyfus Natural Gas Corp.
November 2, 1995
Page 2

2. Upon completion of a well capable of producing in paying quantities, ARCO shall earn an assignment of all your leasehold interest in the W/2 of said Section 36, insofar as same is included with the proration unit for said well, from the base of the ABO formation down to a depth of 100' below the total depth drilled. Louis Dreyfus Natural Gas Corp. shall retain an overriding royalty interest in an amount being equal to the difference between all existing burdens and twenty percent (20%).

3. Any overriding royalty interest retained by Louis Dreyfus Natural Gas Corp. will be subject to proportionate reduction.

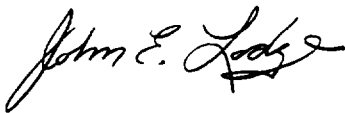
4. Any acreage not previously earned by drilling the initial well, could be earned by the drilling of subsequent wells by not allowing more than 180 days to elapse between the completion of one well and the commencement of the next well.

5. The only penalty for failure to commence the drilling of said initial well, would be the termination of said Farmout Agreement.

Should you have any questions or problems concerning this matter, please do not hesitate to contact me by telephone at (915) 688-5237.

Sincerely,

ARCO Permian

A handwritten signature in cursive script, appearing to read "John E. Lodge".

John E. Lodge
Land Director

JEL:pc
Enclosure

Louis Dreyfus Natural Gas Corp.
November 2, 1995
Page 3

Louis Dreyfus Natural Gas Corp. hereby elects TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Louis Dreyfus Natural Gas Corp.

By: _____

Date: _____

Louis Dreyfus Natural Gas Corp. hereby elects NOT TO participate in the drilling of the Dorothy 36 State Com. No. 1 Well

Louis Dreyfus Natural Gas Corp.

By: _____

Date: _____

Louis Dreyfus Natural Gas Corp. hereby elects to Farmout its leasehold interest to ARCO as described above for the drilling of the Dorothy 36 State Com. No. 1 Well

Louis Dreyfus Natural Gas Corp.

By: _____

Date: _____



Supplement



Original

Well name Dorothy 36 State Com #1						TD 11,100'	
Location SE/4 SW/4, Section 36, T-17-S, R-28-E, Eddy County, New Mexico							
District SE New Mexico Asset Area				Area or Group		Field Empire	
Objective Morrow @ 10750 Ft. @ F							
<input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion		Gen 9171 9172 9171	<input checked="" type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple		Data Processing Information <div style="border: 1px solid black; padding: 5px; display: inline-block;">AFC No.</div> Original/Revision Indicator 1=Original 1 2=Revision		
Tangible Costs - SUB 500 and 550							
1. Tubular goods				Drilling	Evaluation	Completion	Total Gross Dollars
13 3/8" * OD from 0 ft. to 500				10,000		5 1 3	10,000
8 5/8" * OD from 0 ft. to 2600				21,000		5 8 5	21,000
5 1/2" * OD from 0 ft. to 11100						5 5 5	60,000
2 7/8" * OD from 0 ft. to 10,700						5 2 7	50,000
* OD from ft. to							0
* OD from ft. to							0
* OD from ft. to							0
2. Casinghead, Tubinghead, Christmas Tree				5,000		8,000 5 0 4	13,000
3. Tubing Accessories						4,000 5 0 6	4,000
4. Artificial Lift Accessories						5 0 7	0
5. Well Protective Structures						5 0 8	0
6. Unclassified				1,000		2,000 0 0 0	3,000
7. Additional Basis (Sub 550)							0
Casinghead, Tubinghead, Christmas Tree						5 0 4	0
Tubing Accessories						5 0 6	0
Artificial Lift Accessories						5 0 7	0
Well Protective Structures						5 0 8	0
TOTAL TANGIBLES				37,000	0	124,000	161,000
Intangible Costs - SUB 600							
8. Contract Engineering Technical				16,000		4,000 0 1 3	20,000
9. Boat Operations						0 5 3	0
10. Minor Supplies						0 7 8	0
11. Electric Power and Light						2 4 1	0
12. Diesel Fuel						2 4 2	0
13. Natural Gas						2 4 3	0
14. Water				10,000		5,000 2 4 6	15,000
15. Property and Equipment Rentals				4,000		2,000 2 4 8	6,000
16. Security, Safety, and Firefighting				2,000		2,000 2 5 0	4,000
17. Tubular Testing, and Inspection				2,000		3,000 5 0 3	5,000
18. Trucking Tubulars				2,000		4,000 5 0 9	6,000
19. Casing Accessories				5,000		5,000 5 1 2	10,000
20. Site Preparation and Maintenance				20,000		5,000 5 1 4	25,000
21. Permits, Insurance, and Damages				3,000		5 1 5	3,000
22. Rig Moving Expense						5 1 7	0
23. Shorebases						5 2 1	0
24. Camp Housekeeping						5 2 2	0
25. Reclamation				2,000		2,000 5 2 5	4,000
26. Air Freight and Transportation						5 2 8	0
27. Disposal and Cleanup				5,000		2,000 5 3 1	7,000

Well name Dorothy 36 State Com #1	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement		Original/Revision Indicator 1=Original 1 2=Revision	
Location Eddy County, New Mexico	<div style="border: 2px solid black; padding: 5px; text-align: center;">AFC No.</div>			
District SE New Mexico Asset Area				

	Drilling	Evaluation	Completion	Elem	Total Gross Dollars
Intangible Costs (Cont'd) - SUB 600					
28. Contract Footage Drilling <u>0</u> ft. @ \$ <u>0.00</u> per foot				5 3 2	0
29. Contract Drilling Daywork Drilling <u>36</u> days @ : <u>4,500.00</u> per day	162,000			5 3 3	162,000
30. Mobilization, Demobilization & Rig Mod.	30,000			5 3 4	30,000
31. Roads and Airstrips				5 3 6	0
32. Completion/Workover Daywork <u>10</u> days @ : <u>1,000.00</u> per day			10,000	5 4 2	10,000
33. Drill String & BHA Rental			1,000	5 4 3	1,000
34. Well Control Equipment			1,000	5 4 7	1,000
35. Bits, Underreamers, & Hole Openers ____ : ____ : ____ : ____ : ____ : ____ : ____ : ____ : ____ :	50,000		1,000	5 4 8	51,000
36. Drilling Mud and Transportation	30,000			5 5 1	30,000
37. Drilling Mud Equipment and Services	5,000			5 5 2	5,000
38. Completion Fluids			2,000	5 5 3	2,000
39. Open Hole Surveys	20,000			5 5 7	20,000
40. Wireline Work				5 5 9	0
41. Formation Monitoring	8,000			5 6 0	8,000
42. Cased Hole Surveys and perf. Fees			8,000	5 6 1	8,000
43. Surface Well Test Equipment			1,000	5 6 3	1,000
44. Coring and Analysis				5 6 8	0
45. Drill Stem Test Equipment	5,000			5 7 2	5,000
46. Fracturing, Acidizing, and Gravel Pack				5 7 7	0
47. Divers				5 7 8	0
48. Fishing Tool Rental				5 8 0	0
49. Directional Drilling Tool Rental	25,000			5 8 1	25,000
50. Telecommunications & Navigational Needs				5 8 2	0
51. Material Losses				5 8 8	0
52. Capitalized Overhead	36,800		16,000	6 0 4	52,800
53. Cement Running Fees for Casing & Tubing <u>13 3/8</u> * OD <u>400</u> Sacks <u>8 5/8</u> * OD <u>1000</u> Sacks <u>5 1/2</u> * OD <u>1000</u> Sacks	4,000 8,000 17,000			6 1 3 6 8 5 6 5 5	4,000 8,000 17,000
54. Cementing - Squeezes & Plugs				6 9 9	0
55. Unclassified	5,000		2,000	0 0 0	7,000
					0
					0
TOTAL INTANGIBLES	459,800	0	93,000		552,800
TOTAL COST (Tangibles & Intangibles)	496,800	0	217,000		713,800
EVALUATED COST	496,800 →				
COMPLETED WELL COST	713,800 →				

DATE	CALLER	COMPANY	CONTACT	STATUS	PHONE#	REMARKS	WELL
11/8/95	Fred Winter	Oryx	J Lodge	LM	214-715-8371	He wrks NM/questions on well proposals	both
11/17/95	JL	Oryx	Fred Winter	LM	214-715-8371		Dorothy
11/17/95	JL	Marathon	Randal Wilson		915-687-8476	reviewing-like it-budget?	Dorothy
11/20/95	Fred Winter	Oryx	J Lodge	LM	214-715-8371	want to completely sell out-make offer	both
11/29/95	LS	Amoco	Jerry West		713-366-3588	talking to Mgmt	both
11/30/95	LS	Marathon	Randal Wilson		915-687-8476	no decision-won't take us to force pool	Dorothy
11/30/95	LS	Oryx	Fred Winter	LM	214-715-8371		Dorothy
11/30/95	LS	Oryx	Fred Winter		214-715-8371	asked for cash - has not seen our offer	Dorothy
11/30/95	LS	Amoco	Jerry West		713-366-3588	verbal OK	both
12/4/95	LS	Oryx	Fred Winter	LM	214-715-8371	did he get offer?	Dorothy
12/4/95	Rusty Waters	Dreyfus	LS		405-749-5282	can they look @ seis?	both
12/5/95	LS	Dreyfus	Rusty Waters		405-749-5282	no on 3D look	both
12/5/95	LS	Amoco	Jerry West		713-366-3588	update on progress	both
12/5/95	Eric Hanson	Fina	JL		915-688-0646	wants geol presentation	Dancer
12/7/95	LS	HEYCO	Melissa Randal		505-623-6801	requested cc of T/O-sent	Dancer
12/13/95	LS	Oryx	Fred Winter	LM	214-715-8371		Dorothy
12/14/95	LS	Yates Pet	Robt Bullock		505-748-1471	requested cc of T/O-sent	both
12/14/95	LS	Fina	Eric Hanson		915-688-0646	set up show	Dancer
12/15/95	LS	Oryx	Fred Winter		214-715-8371	no answer fr Mgmt-cb 12/27-may be other bidder	Dorothy
12/18/95	LS	Oryx	Fred Winter		214-715-8371	can we bid loc? response-no!	Dorothy
12/18/95	LS	Dreyfus	Rusty Waters		405-749-5282	mgmt meets in PM-wcb	both
12/19/95	LS	Marathon	Randal Wilson		915-687-8476	wants geol presentation	both
12/20/95	LS	Marathon	Randal Wilson		915-687-8476	scheduling probs	both
12/20/95	LS	Fina	Eric Hanson		915-688-0646	scheduling probs	Dancer
12/21/95	LS	Marathon	JL Chapman		915-687-8476	show & tell	both
12/21/95	LS	Fina	Eric Hanson		915-688-0646	sent letter for commitment	Dancer
12/26/95	LS	Fina	Eric Hanson		915-688-0646	xld show & tell	Dancer
12/27/95	LS	Oryx	Fred Winter		214-715-8371	bid situation w/ Logro	Dorothy
12/27/95	LS	Amoco	Jerry West		713-366-3588	reviewed situation w/ Oryx	Dorothy
12/28/95	LS	Marathon	Randal Wilson		915-687-8476	will participate in both wells	both
12/28/95	LS	Oryx	Fred Winter		214-715-8371	no answer	Dorothy
12/28/95	LS	Yates Pet	Robt Bullock		505-748-1471	w/o mgmt-expect to participate	both
12/29/95	D Pearcy	Oryx	Roy Wolin		214-715-8379	Mgmt decision this PM-sec 36 only-Forrester wcb	Dorothy
12/29/95	LS	Oryx	Fred Winter		214-715-8371	wld like to part-want to sell both 40's-geol show?	Dorothy
12/29/95	LS	Fina	Eric Hanson		915-688-0646	change geol show to 1/4/96-9:30am	Dancer
12/96	LS	Conoco	Warren Richardson	LM	915-688-5400		Dancer
12/96	LS	Oryx	Fred Winter		214-715-8371	no decision-requested cc Marathon commit letter	Dorothy
12/96	LS	Dreyfus	John Lennin		405-749-5268	what are spud dates? w/o your commitment!	Both
12/96	LS	Aston Gp	Jerry Bridgens		214-508-3744	responding to loc notice - send T/O	Dancer
1/3/96	LS	Fina	Eric Hanson		915-688-0646	confirmed geol show for 1/4	Dancer
1/3/96	D Pearcy	Oryx	Roy Wolin		214-715-8379	Oryx will not be pushed/know rts under pooling	Dorothy
1/3/96	LS	Oryx	Fred Winter		214-715-8371	w/o mgmt	Dorothy

1/3/96		LS	HEYCO	Melissa Randal	505-623-6601	w/o mgmt		Dancer
1/4/96		LS	Amoco	Jerry West	713-368-3588	update		both
1/4/96		LS	Fina	Kitty Chalfant, et al	915-688-0640	geol presentation		Dancer
1/4/96		DP	Oryx	Jerry Box	214-715-4000	req that mgr hip expediate decision		Dorothy
1/5/96	Melissa Randal		HEYCO	LS	505-623-6601			Dancer
1/5/96	Fred Winter		Oryx	LS	214-715-8371	will sell-bidding open til 5pm 1/8/96		Dorothy
1/5/96	Eric Hanson		Fina	LS	915-688-0646	Mgmt will review 1/8/96-local rec. participation		Dancer
1/5/96	DP		Oryx	Tommy Drescher	214-715-4243	details on delays		Dorothy
1/5/96	Rusty Waters		Dreyfus	LS	405-749-5282			Dancer
1/8/96	LS		Fina	Eric Hanson	915-688-0646	Mgmt will review 1/8/96		Dancer
1/8/96	LS		Dreyfus	Rusty Waters	405-749-5282	his geol has questions		Dorothy
1/8/96	LS		Oryx	Fred Winter	214-715-8379	bid faxed in		Dorothy
1/8/96	LS		Conoco	Warren Richardson	915-688-5400	will show to mgmt		Dancer
1/8/96	DP		Yates Pet	Ray Beck	505-748-1471	agreed to participate		Dorothy
1/8/96	DP		Dreyfus	Wayne Roberts	405-748-2746	discussed reserves-decision soon		Dorothy
1/9/96	DP		Fina	Robert Martin	915-688-0643	discussed reserves-will join		Dancer
1/9/96	LS		HEYCO	Melissa Randal	505-623-6601	processing-w/o mgmt		Dancer

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 6

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

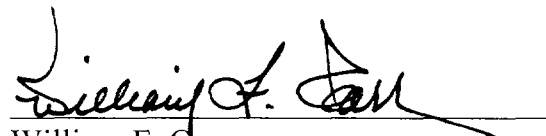
IN THE MATTER OF THE APPLICATION
OF ARCO PERMIAN, A UNIT OF
ATLANTIC RICHFIELD, FOR
COMPULSORY POOLING AND AN
UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11443

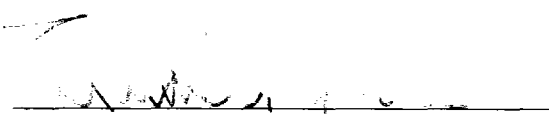
AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, authorized representative of ARCO Permian, a unit of Atlantic Richfield, the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto as provided in Rule 1207.


William F. Carr

SUBSCRIBED AND SWORN to before me this 10th day of January, 1996.


Notary Public

My Commission Expires: August 14, 1997

EXHIBIT A

Sun Operating Limited Partnership
13155 Noel Road
Dallas, TX 75240
Attn: Mr. Fred Winter

Texas Independent Exploration, Inc.
1600 Smith, Suite 3800
Houston, TX 77002

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Mr. Robert H. Bullock

Brothers Production Company
6 Desta Drive, Suite 5700
Midland, TX 79705

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

Louis Dreyfus Gas Holdings, Inc.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

Marathon Oil Company
Post Office Box 552
Midland, TX 79702-0552
Attn: Mr. Randal Wilson

Parker & Parsley Acquisition Company
Post Office Box 3178
Midland, TX 79702

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Jerry West

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Larry West

Doyle Hartman Oil Co.
Attn: Sheila Potts
500 N. Main Street
Midland, TX 79701

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 7

Submitted by: ARCO Permian a unit of Atlantic Richfield

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

December 21, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of ARCO Permian, a unit of Atlantic Richfield, for Compulsory Pooling and an Unorthodox Well Location, Eddy County, New Mexico

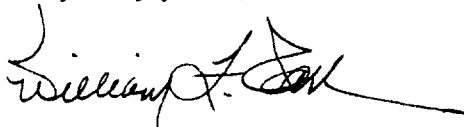
Gentlemen:

This letter is to advise you that ARCO Permian, a unit of Atlantic Richfield has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the W/2 of Section 36, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. ARCO proposes to dedicate the referenced pooled unit to its Dorothy 36 State Com #1 Well to be drilled to the Morrow formation, South Empire-Morrow Gas Pool at an unorthodox location 1163 feet from the South line and 1647 feet from the West line of said Section 36.

This application has been set for hearing before a Division Examiner on January 11, 1996. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR ARCO PERMIAN, A UNIT OF ATLANTIC RICHFIELD

WFC:mlh

Enc.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Sun Operating Limited Partnership
13155 Noel Road
Dallas, TX 75240
Attn: Mr. Fred Winter

4a. Article Number

P326931 901

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

12/27

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

P 326 931 901

U.S. Postal Service

Receipt for Certified Mail

Sun Operating Limited Partnership
13155 Noel Road
Dallas, TX 75240
Attn: Mr. Fred Winter

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3800 April 1995

Thank you for using Return Receipt Service.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

4b. Service Type

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Mr. Robert H. Bullock

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ Insured
- ☐ COD

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 907

US Postal Service

Receipt for Certified Mail

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Mr. Robert H. Bullock

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date DEC 21 1995	

PS Form 3800, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

4a. Article Number

4b. Service Type

- ☒ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

12-26-95

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 909

US Postal Service
Receipt for Certified Mail
Louis Dreyfus Gas Holdings, Inc.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3811, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Marathon Oil Company
Post Office Box 552
Midland, TX 79702-0552
Attn: Mr. Randal Wilson

4a. Article Number

P326 931 902

4b. Service Type

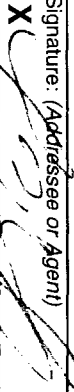
- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery:

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X 

PS Form 3811, December 1994

Domestic Return Receipt

P 326 931 902

U.S. Postal Service

Receipt for Certified Mail

Marathon Oil Company
Post Office Box 552
Midland, TX 79702-0552
Attn: Mr. Randal Wilson

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3811 April 1995

Thank you for using Return Receipt Service.

P 326 931 905

US Postal Service

Receipt for Certified Mail

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Larry West

PS Form 3800 April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date DEC 21 1995	

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Jerry West

4a. Article Number

P326 931 906

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

DEC 21 1995

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

X *[Signature]* 117795

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 906

US Postal Service

Receipt for Certified Mail

Amoco Production Company
501 WestLake Park Blvd.
Houston, TX 77253
Attn: Mr. Jerry West

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3811, December 1994

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Doyle Hartman Oil Co.

Attn: Sheila Potts
500 N. Main Street
Midland, TX 79701

4a. Article Number

P326 931 903

4b. Service Type

Registered

☐ Express Mail

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

12/27

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Sheila Potts*

PS Form 3811, December 1994

Domestic Return Receipt

P 326 931 903

US Postal Service

Receipt for Certified Mail

Doyle Hartman Oil Co.
Attn: Sheila Potts
500 N. Main Street
Midland, TX 79701

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3800 April 1995

Thank you for using Return Receipt Service.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Texas Independent Exploration, Inc.
1600 Smith, Suite 3800
Houston, TX 77002

4a. Article Number

P326 931 910

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

12-22-95

5. Received By: (Print Name)

Elisea Barrios

6. Signature: (Addressee or Agent)

X Elisea Barrios

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 910

US Postal Service

Receipt for Certified Mail

Texas Independent Exploration, Inc.
1600 Smith, Suite 3800
Houston, TX 77002

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3800, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Brothers Production Company
6 Desta Drive, Suite 5700
Midland, TX 79705

4a. Article Number

P326931911

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

12-26-95

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 911

US Postal Service

Receipt for Certified Mail

Brothers Production Company
6 Desta Drive, Suite 5700
Midland, TX 79705

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3811 April 1995 0083

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

4a. Article Number

4b. Service Type

- Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

12-26-95

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 326 931 904

US Postal Service

Receipt for Certified Mail

Louis Dreyfus Gas Holdings, Inc.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134
Attn: Ms Carol Myers

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

Form 3800 April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Parker & Parsley Acquisition Company
Post Office Box 3178
Midland, TX 79702

4a. Article Number

P326 931 908

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

DEC 20 1995

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

P 326 931 908

US Postal Service

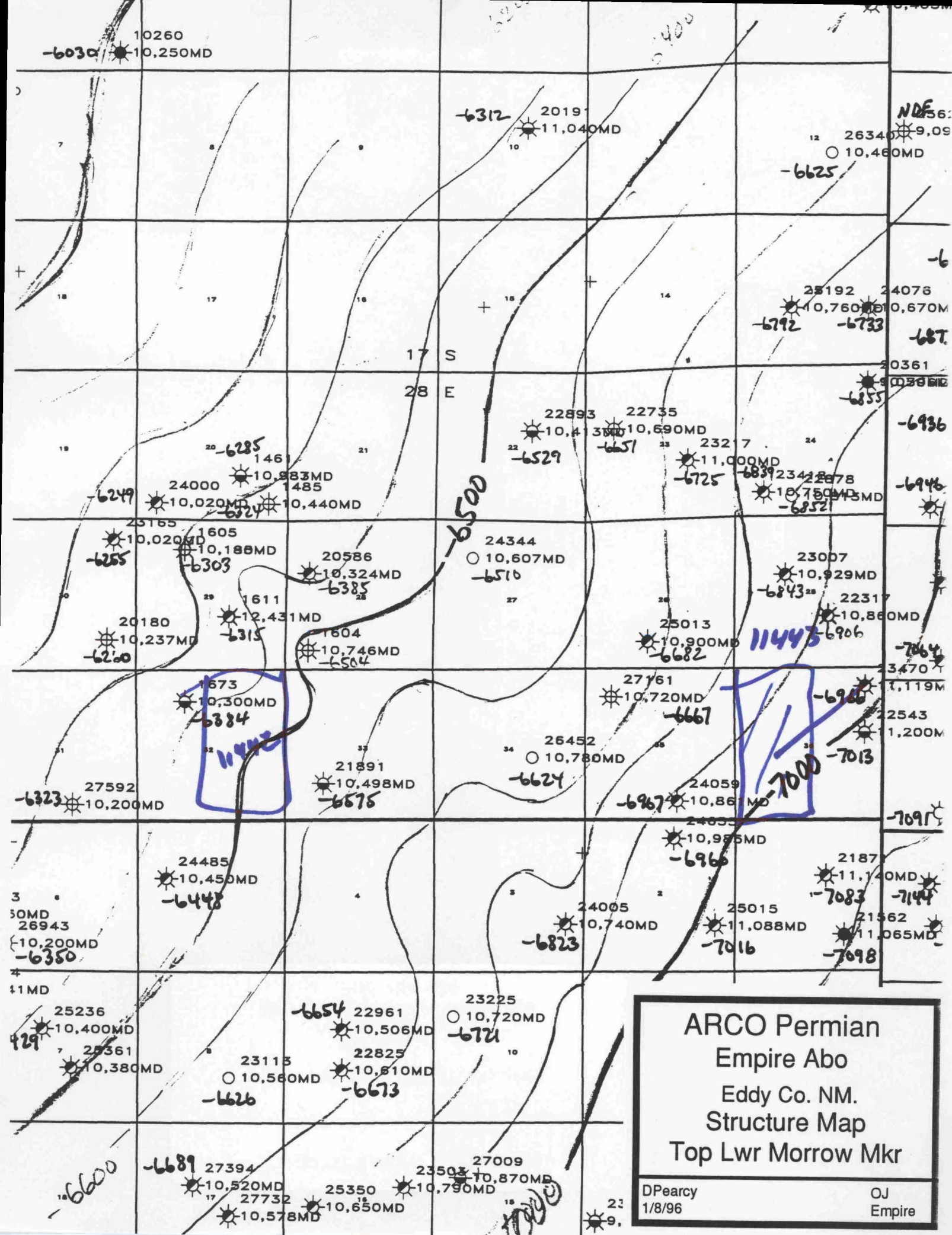
Receipt for Certified Mail

Parker & Parsley Acquisition Company
Post Office Box 3178
Midland, TX 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 21 1995

PS Form 3800 April 1995

Thank you for using Return Receipt Service.



**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 8

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 9

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996



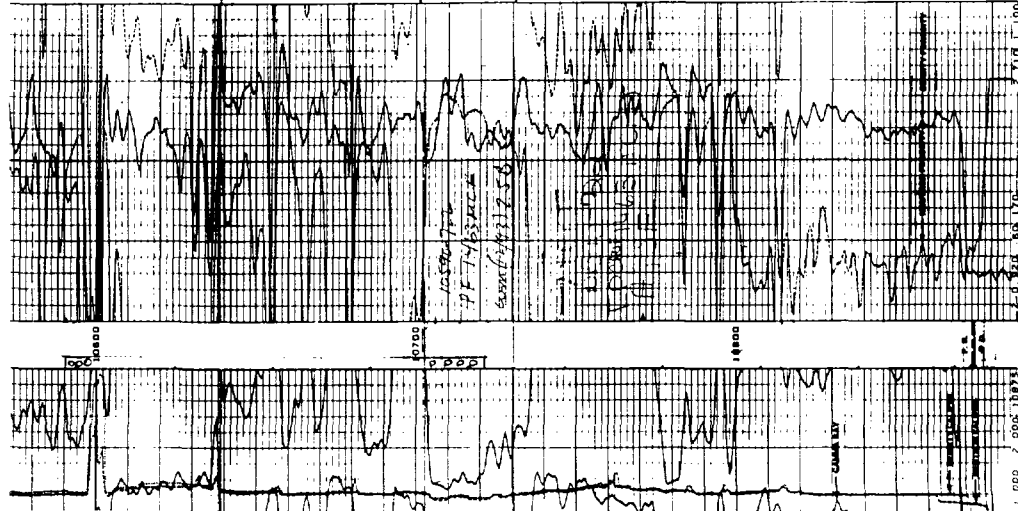
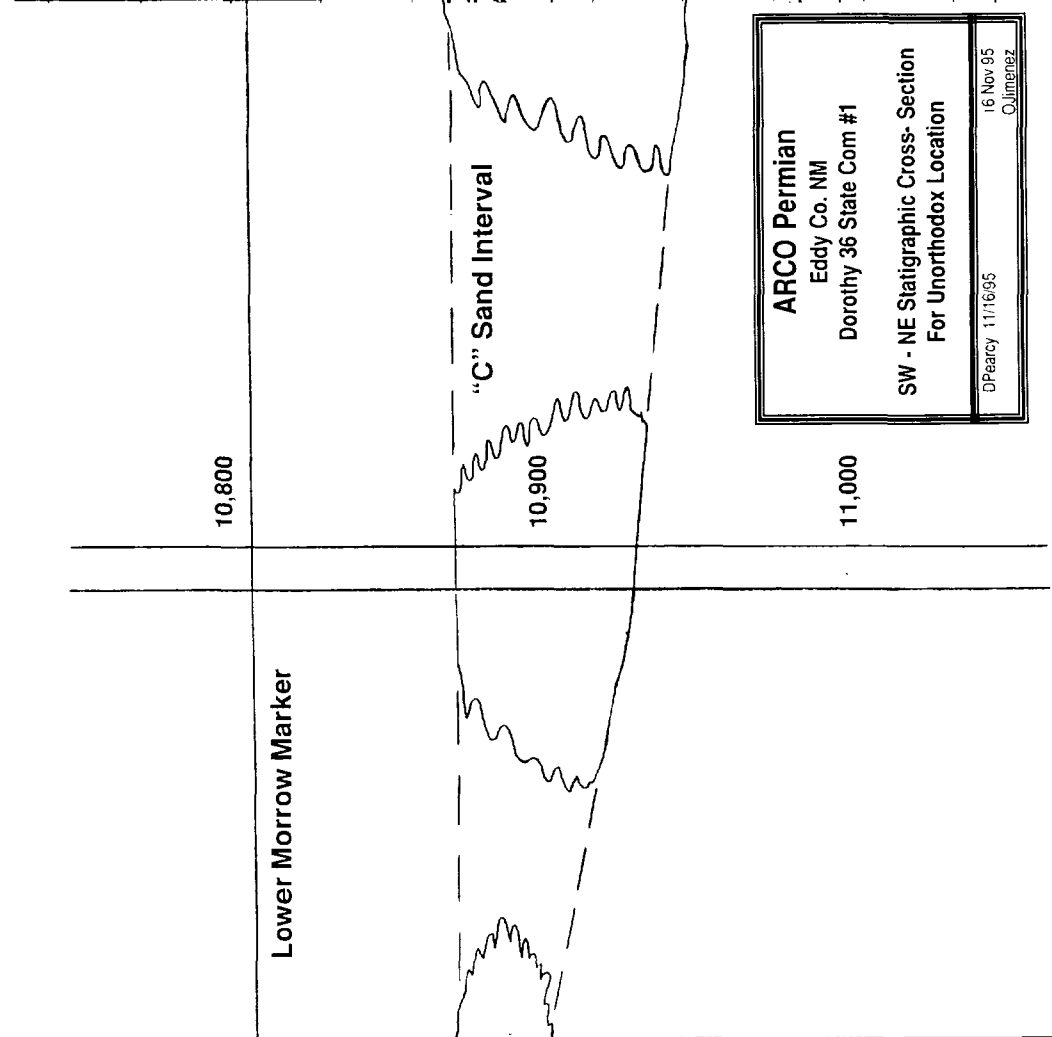
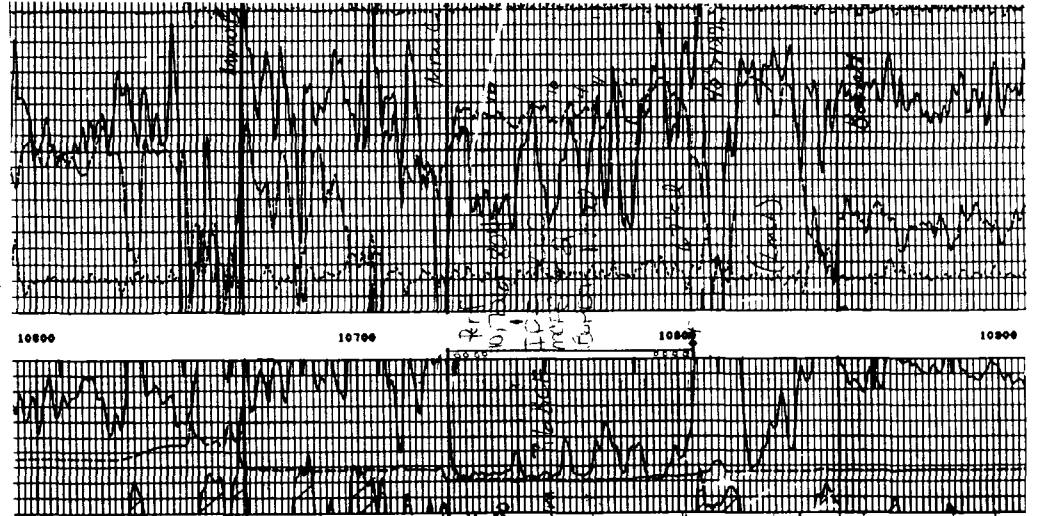
30-015-24059
ARCO Oil & Gas Co.
"BX" State No. 1
Eddy Co.
(C) Sec. 35, 17S-28E
KB. 3670.5
TD. 10,874



Dorothy State Com
No. 1
Eddy Co.
Sec. 36, 17S-28E
KB. 3689 est
PTD. 11,111



30-015-23470
Amoco Prod. Co.
Empire So. Deep Ut. #21
Eddy Co.
(A) Sec. 36, 17S-28E
KB. 3698.3
TD. 11,111



ARCO Permian Eddy Co. NM Dorothy 36 State Com #1	
SW - NE Statigraphic Cross-Section For Unorthodox Location	
DPearcy 11/16/95	16 Nov 95 OJimenez

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 10

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11443 Exhibit No. 11

Submitted by: ARCO Permian a unit of Atlantic Richfield

Hearing Date: January 11, 1996