

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 ARCO Permian

3a. Address
 P.O. BOX 1610, MIDLAND, TX 79702

3b. Phone No. (include area code)
 915 688-5570

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 SECTIONS 3 & 4
 T-18-S, R-27-E

5. Lease Serial No.
 LISTED BELOW

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 LISTED BELOW

9. API Well No.

10. Field and Pool, or Exploratory Area
 RED LAKE (Q-GB-SA)

11. County or Parish, State
 EDDY NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other _____

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

PLANS TO SURFACE COMMINGLE, ALLOCATE BASED ON WELL TEST FOR FOUR LEASES:

- RED LAKE 3 FEDERAL - SW/4/ OF NW/4 OF SEC. 3, 40 ACRES, LEASE NO. LC028805(B)
- VERMILLION 3 FEDERAL - SE/4/ OF NW/4 OF SEC. 3, 40 ACRES, LEASE NO. LC055465(B)
- WEST RED LAKE 4 FEDERAL - N/2 OF NW/4 OF SEC. 4, 79.29 ACRES, LEASE NO. LC065478(A)
- LAGO ROSA 4 FEDERAL - NW/4/ OF SW/4 OF SEC. 4, 38.85 ACRES, LEASE NO. MNM29280

*Red-Lk File
 cc - Dennis Bratcher
 Kempson - All
 Certified File #11*

WILL CONTINUE TO MEASURE AND STORE PRODUCTION OFF LEASE AS PREVIOUSLY APPROVED.

NMCD APPROVED MAY 21, 1998 - COMMINGLING ORDER PLC-143

BLM APPROVED MARCH 30, 1998

MAP ATTACHED SHOWING THE LEASE NUMBERS AND LOCATION OF ALL LEASES.

SCHEMATIC DIAGRAM ATTACHED SHOWING LEASES, SEPARATION & METERING.

ESTIMATED PRODUCTION 30 BOPD & 50-100 MCFPD. (REFERENCE LETTER FOR DETAILS)

MEASUREMENT & ALLOCATION PROCEDURES - LACT UNIT (REFERENCE LETTER FOR DETAILS)

ALL INTEREST OWNERS WERE NOTIFIED ON MARCH 27, 2000 BY CERTIFIED MAIL. (REFERENCE LETTER FOR DETAILS)

ROYALTIES WILL NOT BE REDUCED - PRODUCTS WILL BE METERED SEPARATELY ON SECTION 4. (REFERENCE LETTER FOR DETAILS)

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) *Elizabeth A. Casper*

Title
 Regulatory Compliance Analyst

Date 03-27-00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *David P. Glass*
 Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title
PETROLEUM ENGINEER

Office

Date **MAR 30 2000**

**SEE ATTACHED FOR
 CONDITIONS OF APPROVAL**

BEFORE EXAMINER CAPTIONED

IN CONNECTION WITH

APCD CONTEST NO. 9

CASE NO. 12394