

ABOVE THIS LINE FOR DIVISION USE ONLY

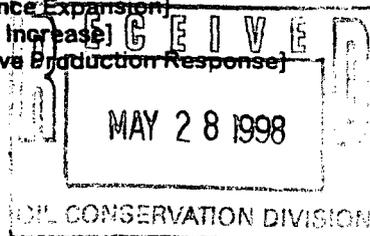
NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

ELIZABETH A. CABBER Elizabeth A. Cabber REG. / COMP. 5/20/98
 Print or Type Name Signature Title Date



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
Post Office Box 1610
Midland TX 79702-1610
Telephone 915 688 5570

Elizabeth A. Casbeer
Regulatory/Compliance Analyst

May 20, 1998

**Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505**

Gentlemen:

Under the provisions of NMOCD Rule 104.F(d), ARCO Permian requests administrative approval for unorthodox location for its Washington "33" State #26, a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-301 is 150'FSL and 1650'FWL of Section 33, T17S, R28E, Eddy County, New Mexico. This well was drilled at an approved unorthodox location for the original horizon.

As required, we are submitting a plat showing the subject 40-acre spacing unit with the unorthodox location, a map identifying the adjoining and diagonal encroached-upon leases and wells, and a list of affected parties.

Should you have any questions, please do not hesitate to call me at 915-688-5570 or Dave Percy at 915-688-5355. Thank you for your assistance in this matter.

Sincerely,

**Elizabeth A. Casbeer
Regulatory/Compliance Analyst**

EAC:lc

cc: NMOCD, Artesia, New Mexico

Enclosures

**OFFSET OPERATORS
WASHINGTON "33" STATE #26**

**Bulldog Energy Corp.
P. O. Box 668
Artesia, New Mexico 88210**

**Altura Energy Ltd.
P. O. Box 4294
Houston, Texas 77210**

**Jackie Brewer dba Sandlott Energy
1504 W. Madison
Lovington, New Mexico 88260**

STATE OF TEXAS

COUNTY OF MIDLAND

BEFORE ME, the undersigned authority on this day personally appeared Elizabeth A. Casbeer, a Regulatory Compliance Analyst with ARCO Permian, who being by me duly sworn, deposes and states that the persons listed on the foregoing attached list has been sent a copy on March 10, 1998, Oil Conservation Division Form C-101 (and supporting documentation) entitled, "Application For Permit to Drill or Deepen" for the Washington "33" State #26.

ARCO Permian


Elizabeth A. Casbeer

SUBSCRIBED AND SWORN TO before me on May 20, 1998, to certify which witness my hand and seal of office.



NOTARY PUBLIC, STATE OF TEXAS



LEIGH ANN LANE

Notary Public, State of Texas

My Commission Expires: 12-12-2000

**Geologic and Engineering Discussion for Washington 33 State #26
Unit N of Section 33, T17S, R28E, Eddy County, New Mexico**

ARCO Permian requests administrative approval for unorthodox location for Washington 33 State #25 and #26 in the Artesia (Q-G-SA) Field, both as recompletions of wells drilled to a deeper horizon. Both wellbores are required for geologic reasons, and will be simultaneously dedicated to Unit Letter N of Section 33.

ARCO will require 2 strategically spaced wellspots in each 40-acre tract to recover reserves in the Artesia pool. Wherever possible, our well pattern dictates a wellbore in the NE quadrant and SW quadrant of each 40 acres. Recompletion of these Empire (Abo) wellbores, which are 607 ft. apart, will prevent wasteful drilling expense and provide satisfactory results.

At a future date, we anticipate a waterflood could be initiated to effectively sweep both dolomite and sand reservoirs. Optimum results can only be achieved with good spacing of the primary wells. Core results show the Queen-Grayburg-San Andres "sand" pays should yield 130 MBO per 40 acres, but the modest 35 MBO recovered from "sand" wells on and surrounding our lease indicates that 10-20 acre drainage for these pays is reasonable.

We have therefore determined that two wells per 40 acres will effectively drain this reservoir and protect correlative rights. Where inexpensive recompletions are available, 500 ft. between wells will avoid wasteful drilling. With current technology, the drainage radius for these San Andres wells is probably 10 acres, so we do not expect to be affecting any offset owner's correlative rights with these unorthodox locations.



ARCO Permian
600 North Mariefeld
Midland TX 79701-4373
Post Office Box 1610
Midland TX 79702-1610
Telephone 915 688 5570

Elizabeth A. Casbeer
Regulatory/Compliance Analyst

May 20, 1998

CERTIFIED RETURN RECEIPT MAIL

Jackie Brewer dba Sandlott Energy
1504 W. Madison
Lovington, New Mexico 88260

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCD for an unorthodox location for Washington "33" State #26 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-301 is 150'FSL and 1650'FWL of Section 33, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within 20 days after the application has been received.

Sincerely,



Elizabeth A. Casbeer
Regulatory/Compliance Analyst

EAC:lc

Enclosures



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600 North Marienfeld
Midland TX 79701-4373
Post Office Box 1610
Midland TX 79702-1610
Telephone 915 688 5570

Elizabeth A. Casbeer
Regulatory/Compliance Analyst

May 20, 1998

CERTIFIED RETURN RECEIPT MAIL

Altura Energy Ltd
P. O. Box 4294
Houston, Texas 77210

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCDD for an unorthodox location for Washington "33" State #26 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-301 is 150'FSL and 1650'FWL of Section 33, T17S, R28E, Eddy County, New Mexico.

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Sincerely,



Elizabeth A. Casbeer
Regulatory/Compliance Analyst

EAC:lc

Enclosures



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Midland TX 79702-1610
Telephone 915 688 5570

Elizabeth A. Casbeer
Regulatory/Compliance Analyst

May 20, 1998

CERTIFIED RETURN RECEIPT MAIL

Bulldog Energy Corp.
P. O. Box 668
Artesia, New Mexico 88210

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCD for an unorthodox location for Washington "33" State #26 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-301 is 150'FSL and 1650'FWL of Section 33, T17S, R28E, Eddy County, New Mexico.

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Sincerely,



Elizabeth A. Casbeer
Regulatory/Compliance Analyst

EAC:lc

Enclosures

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address ARCO PERMIAN P.O. BOX 1610 MIDLAND, TX 79702		² OGRID Number 000990
		³ API Number 30-015-22464
⁴ Property Code 22954	⁵ Property Name WASHINGTON "33" STATE	⁶ Well No. 210

⁷ 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	33	17S	28E		150	SOUTH	1650	WEST	EDDY

⁸ Proposed 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

⁹ Proposed Pool 1

¹⁰ Proposed Pool 2

ARTESIA (Q-G-SA)

¹¹ Work Type Code R	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3660
¹⁶ Multiple NO	¹⁷ Proposed Depth 3200	¹⁸ Formation SAN ANDRES	¹⁹ Contractor	²⁰ Spud Date 7/98

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11	8-5/8	24#	595	350	SURE
7-7/8	5-1/2	15.5	6368'	1250	SURE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

ORIGINALLY DRILLED AND COMPLETED AS THE EMPIRE ABO UNIT H-301 IN 1978. TD @ 6368'. TESTED ABO @ 5982'-6226'. CURRENTLY TA'D W/TUBING & PKR @ 5162'. PROPOSE TO SET CIBP @ 5950' W/35" CEMENT ON TP, RUN CNL-GAMMA RAY-CCL AND PERF SAN ANDRES AS INDICATED ON LOG. TEST AND FRAC AS NEEDED.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Elizabeth A. Casbeer*

Printed name: ELIZABETH A. CASBEER

Title: REG./COMP. ANALYST

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

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

State of New Mexico

Form C-102

Energy, Minerals and Natural Resources Department

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-22464	Pool Code	Pool Name ARTESIA (A-C-3A)
Property Code 22954	Property Name WASHINGTON 33 STATE	Well Number 26
OGRID No. 000990	Operator Name ARCO PERMIAN	Elevation 3060

Surface Location

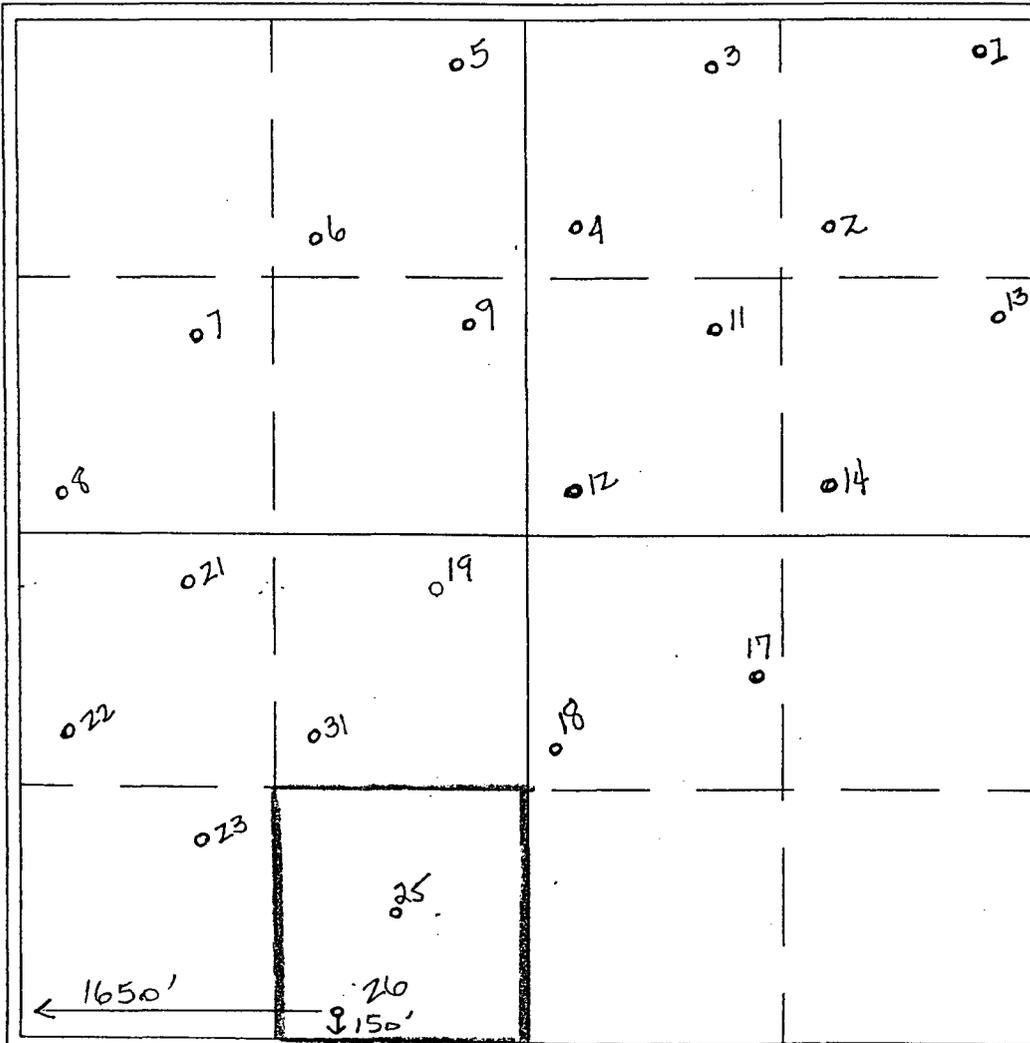
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	33	17 S	28 E		150	SOUTH	1650	WEST	EDDY

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 40	Joint or Infill	Consolidation Code	Order No.
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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 hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Elizabeth A. Casbeer
Signature

ELIZABETH A. CASBEER
Printed Name

REG/COMP ANALYST
Title

5/20/98
Date

SURVEYOR CERTIFICATION

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.

MARCH 3, 1998

Date Surveyed

DMCC

Signature & Seal of Professional Surveyor

Ronald J. Edson
RONALD J. EDSON
REGISTERED PROFESSIONAL SURVEYOR
NEW MEXICO
239
5-4-98
88-11-03

State No. RONALD J. EDSON 3239
GARY EDISON 12641
McDONALD 12185

