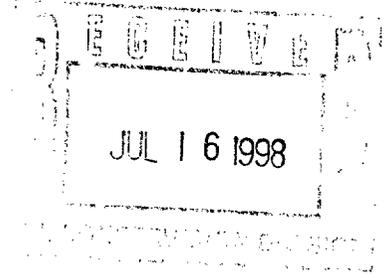




ARCO Permian
 PO Box 1089
 Eunice NM 88231
 Telephone 505 394 1600

Southeast New Mexico Asset Area

PC N/R 982



July 14, 1998

David Catinak
 State of New Mexico
 Oil Conservation Commission
 2040 S. Pacheco
 Santa Fe, NM 87505

Dear Mr. Catinak:

ARCO Permian submits application for Administrative Approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the surface commingling of the oil produced from the Artesia Queen Grayburg San Andres and the Artesia Yeso pools from all wells presently completed or hereafter drilled on the Washington "33" State lease. The Washington "33" State lease comprises of Section 33 except the NW/4NW/4, T17S, R28E, NMPM, Eddy County, NM.

Gas, oil, and water production from the Artesia Queen Grayburg San Andres and the Artesia Yeso pools will be measured together with a split based on a percentage of production by well testing methods. Pursuant to the Manual for the Installation and Operation of Commingling Facilities, and Rule 303 (b) (2), detailed gravity data, facility drawings, and plats identifying the location of each pools with designated well numbers are enclosed.

← 3230
 C, LOCKET A
 92830

Due to high water cuts and rapid production declines, surface commingling makes this project economically feasible to drill. The qualities of crude oil from both zones are very similar and no devaluation will occur due to commingling.

I am attaching our Yeso oil analysis and a San Andres analysis from a producing San Andres well in which Devon operates. This should be representative of our San Andres production. Should you require additional information in order to approve this request, please do not hesitate to contact the undersigned at (505)394-1659.

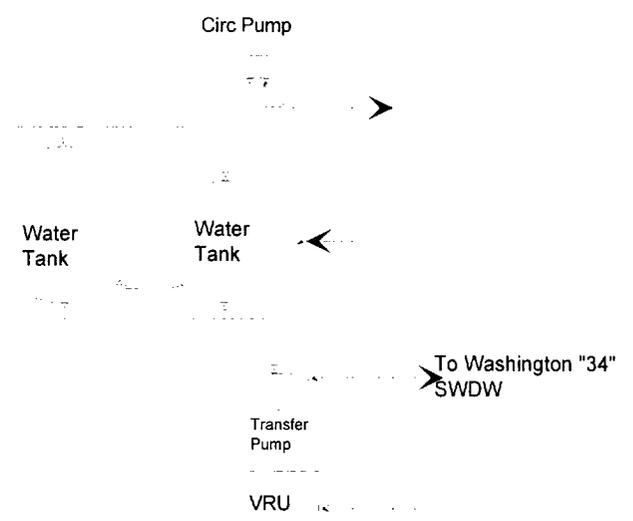
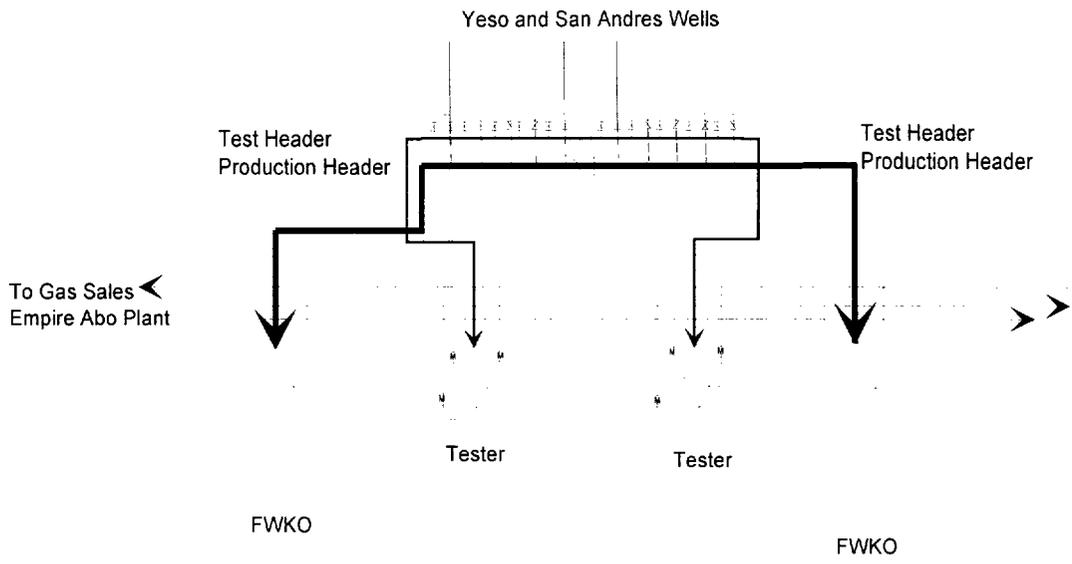
Respectfully,

Larry D. Henson
 Area Operations Supervisor

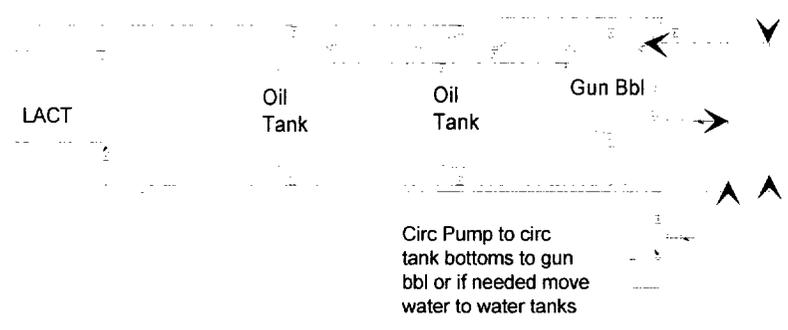
LHkdm

Xc: Tim Gumm – NMOCD Artesia
 Dennis Braaten – MIO 23

Enclosures



**PROPOSED WASHINGTON "33" STATE LEASE
SURFACE TESTING AND COMMINGLE PLAN**
 Located in Sec. 33 of T17S R28E
 ARCO PERMIAN 7/1998





ARCO Permian
600 N Marienfeld
Midland TX 79701
Post Office Box 1610
Midland TX 79702
Telephone 915 688 5200

June 23, 1998

**New Mexico Energy Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505**

Fax #: (505) 827-1389

Attention: Mr. Michael E. Stogner

**Re: Washington 33 Project
Township 17 South, Range 28 East
Section 33: E/2, E/2W/2, W/2SW/4, SW/4 NW/4
Eddy County, New Mexico
30-015-006004-001
State of New Mexico Lease 647**

Dear Sir:

Based upon the examination of the records of the Office of the Commissioner of Public Lands of the State of New Mexico (Abstract No. 7017) and the records of Eddy County, New Mexico (Abstract No. 97314), title to the captioned land is vested as follows:

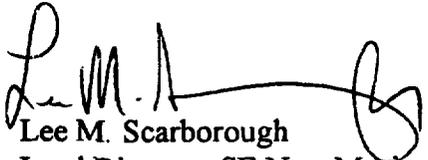
Surface Estate: Bogle Farms, Inc. and Marsh Medra of El Paso

Mineral Estate: State of New Mexico

Record Title and Operating Rights: Atlantic Richfield Company

Should anything further be needed, please contact the undersigned at (915) 688-5270.

Very truly yours,


**Lee M. Scarborough
Land Director, SE New Mexico**

LMS/sb



Laboratory Services, Inc.
1331 Tasker Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

SULFUR IN CRUDE OIL

ARCO Permian
Attention: Mr. Roland Taylor
P. O. Box 1089
Eunice, New Mexico 88231

Jun 12, 1998

	Sulfur	API Gravity @ 60° F	Specific Gravity @ 60° F
Washington 33 St. #9	0.5983 wt. %	39.2	0.8289
Washington 33 St. #14	0.6457 wt. % <i>.6228</i>	38.8 <i>39.0</i>	0.8309

Thank You,
Rolland Perry



Laboratory Services, Inc.

1331 Tasker Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Larry,

FYI

RT.

SULFUR IN CRUDE OIL

ARCO Permian
Attention: Mr. Roland Taylor
P. O. Box 1089
Eunice, New Mexico 88231

Feb 4, 1998

	Total Sulfur	API Gravity @ 60° F	Specific Gravity @ 60° F
Devon West Red Lake-San Andres	0.7185 wt. %	39.1	0.8294

Thank You,
Rolland Perry

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96819	³ Pool Name Artesia Yeso
⁴ Property Code 22954	⁵ Property Name Washington "33" State	
⁷ OGRID No. 000990	⁸ Operator Name ARCO Permian	⁶ Well Number
⁹ Elevation		

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
	33	17S	28E						

¹¹ 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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

	#6 •	#4 •	#2 •	<p style="text-align: center;">¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: right;"><i>Kellie D. Murrish</i></p> <p>Signature Kellie D. Murrish</p> <p>Printed Name Administrative Assistant</p> <p>Title 07/13/98</p> <p>Date</p>
#7 •	#9 •	#11 •	#14 •	
#21 •				
				<p style="text-align: center;">¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1994

District I
PO Box 1980, Hobbs, NM 88241-1980
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OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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Submit to Appropriate District Office
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AMENDED REPORT

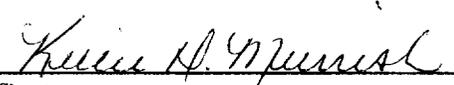
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name Artesia Queen Grayburg San Andres
⁴ Property Code 22954	⁵ Property Name Washington "33" State	
⁷ OGRID No. 000990	⁸ Operator Name ARCO Permian	⁶ Well Number
⁹ Elevation		

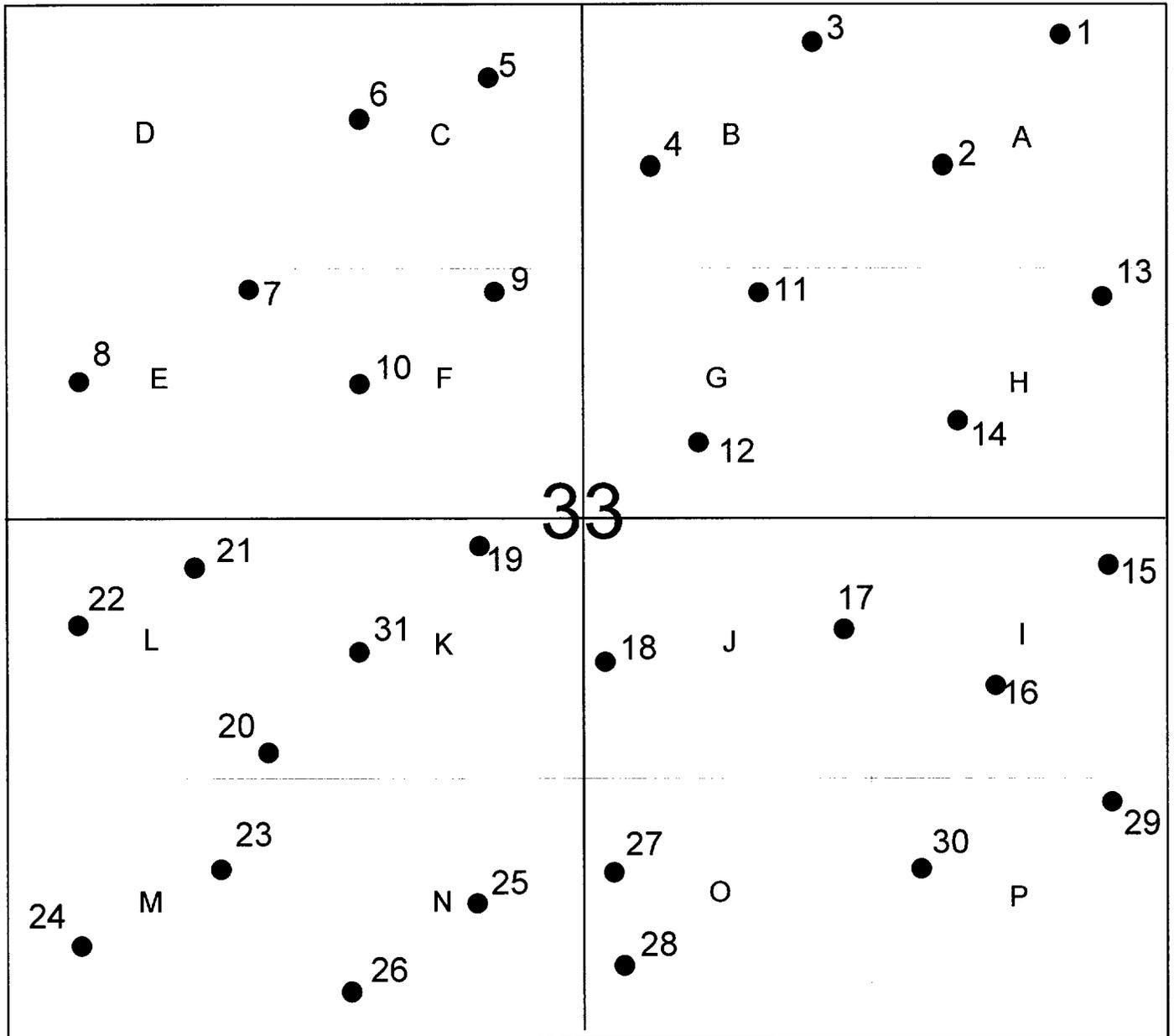
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

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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**

#5 •	#3 •	#1 •	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Kellie D. Murrish Printed Name Administrative Assistant Title 07/13/98 Date	
#8 •	#10 •	#12 •		#13 •
#22 •	#20 •	#31 •		#19 •
#17 •	#18 •	#16 •		#15 •
#24 •	#23 •	#25 •	#27 •	¹⁸ 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> Date of Survey Signature and Seal of Professional Surveyer: Certificate Number
#26 •	#28 •	#29 •	#30 •	

Washington "33" Wells
Township 17s Range 28e
Section 33



WASHINGTON 33 STATE WELLS, SECTION 33, T17S, R28E

WELL #	EXPECTED COMPLETION	API #	LOCATION	UNIT LETTER
1	Artesia-Queen-Grayburg-San Andres	30-015-30299	200 FNL, 380 FEL	A
2	Artesia Yeso	30-015-30187	990 FNL, 930 FEL	A
3	Artesia-Queen-Grayburg-San Andres	30-015-30276	260 FNL, 1550 FEL	B
4	Artesia Yeso	30-015-30188	990 FNL, 2270 FEL	B
5	Artesia-Queen-Grayburg-San Andres	30-015-30277	260 FNL, 2270 FWL	C
6	Artesia Yeso	30-015-30138	790 FNL, 1650 FWL	C
7	Artesia Yeso		1650 FNL, 970 FWL	E
8	Artesia-Queen-Grayburg-San Andres	30-015-30190	2267 FNL, 330 FWL	E
9	Artesia Yeso	30-015-30191	1650 FNL, 2270 FWL	F
10	Artesia-Queen-Grayburg-San Andres	30-015-30192	2267 FNL, 1650 FWL	F
11	Artesia Yeso	30-015-30193	1650 FNL, 1650 FEL	G
12	Artesia-Queen-Grayburg-San Andres		2432 FNL, 2270 FEL	G
13	Artesia-Queen-Grayburg-San Andres	30-015-22524	1610 FNL, 250 FEL	H
14	Artesia Yeso	30-015-30194	2282 FNL, 970 FEL	H
15	Artesia-Queen-Grayburg-San Andres	30-015-22822	2250 FSL, 235 FEL	I
16	Artesia-Queen-Grayburg-San Andres	30-015-22415	1500 FSL, 700 FEL	I
17	Artesia-Queen-Grayburg-San Andres	30-015-22821	1900 FSL, 1450 FEL	J
18	Artesia-Queen-Grayburg-San Andres	30-015-21745	1550 FSL, 2511 FEL	J
19	Artesia-Queen-Grayburg-San Andres		2360 FSL, 2165 FWL	K
20	Artesia-Queen-Grayburg-San Andres	30-015-21891	1315 FSL, 1315 FWL	L
21	Artesia Yeso	30-015-30195	2310 FSL, 990 FWL	L
22	Artesia-Queen-Grayburg-San Andres	30-015-30196	1720 FSL, 330 FWL	L
23	Artesia-Queen-Grayburg-San Andres		975 FSL, 1060 FWL	M
24	Artesia-Queen-Grayburg-San Andres		330 FSL, 330 FWL	M
25	Artesia-Queen-Grayburg-San Andres	30-015-01690	660 FSL, 1980 FWL	N
26	Artesia-Queen-Grayburg-San Andres	30-015-22464	150 FSL, 1650 FWL	N
27	Artesia-Queen-Grayburg-San Andres	30-015-22605	815 FSL, 2525 FEL	O
28	Artesia-Queen-Grayburg-San Andres	30-015-22124	313 FSL, 2490 FEL	O
29	Artesia-Queen-Grayburg-San Andres	30-015-22417	1050 FSL, 250 FEL	P
30	Artesia-Queen-Grayburg-San Andres	30-015-22465	750 FSL, 1150 FEL	P
31	Artesia-Queen-Grayburg-San Andres	30-015-30254	1650 FSL, 1650 FWL	K