



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

January 6, 1997

ARCO Permian
P. O. Box 1610
Midland, Texas 79702
Attention: Charles W. Knight, Jr.

AMENDED Administrative Order NSL-3660 (DD)

Dear Mr. Knight:

By Division Administrative Order NSL-3660, dated April 19, 1996, authorization was given ARCO Permian ("ARCO") to drill its Dinah "23" Federal Com. Well No. 1 (**API No. 30-015-28946**) at an unorthodox gas well location to test the Morrow formation within a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 23, Township 17 South, Range 28 East, NMPM, Undesignated South Empire-Morrow Gas Pool or Undesignated Aid-Morrow Gas Pool, Eddy County, New Mexico, 1077 feet from the South line and 660 feet from the West line (Unit M) of said Section 23.

Reference is now made to your letter with attachments dated December 5, 1996 and to the Division's well file and records, whereby an amendment should be issued in this order to indicate that this well was sidetracked and directionally drilled in order to straighten the wellbore back to its intended vertical course and to accurately reflect the actual bottom-hole location of this wellbore.

The Division Director Finds That:

- (1) This application was originally approved under the provisions of Division General Rule 104.F(2);
- (2) This amendment has been duly filed under the provisions of Rule 111(D) and (E) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (3) While drilling the wellbore had deviated such that ARCO begin directional drilling

operations at a depth of 9,801 feet in order to straighten the hole back to the north towards its original surface location before total depth was reached; and,

(4) Supporting data submitted with this application indicates that:

(a) the maximum deviation within the wellbore to the south occurred at a measured depth of approximately 9,664 feet, at which point the subsurface location was approximately 1002 feet from the South line of said Section 23;

(b) maximum deviation to the west occurred at a measured depth of approximately 4,200 feet, at which point the subsurface location was approximately 615 feet from the West line of said Section 23;

(c) subsurface location at the kick-off point (9,801 feet) was approximately 1014 feet from the South line and 637 feet from the West line of said section 23;

(d) at a measured depth of 10,259 feet, being the deepest survey point within the wellbore, the subsurface location is approximately 1067 feet from the South line and 654 feet from the West line of said Section 23;

(d) total depth of this well is 10,560 feet; and,

(e) the Morrow perforated interval within this wellbore is from 9,810 feet to 9,817 feet;

IT IS THEREFORE ORDERED THAT:

(1) Division Administrative Order NSL-3660, dated April 19, 1996, is hereby amended to properly reflect the actual subsurface path of the Dinah "23" Federal Com. Well No. 1 (API No. 30-015-28946), as indicated in the findings above.

Amended Administrative Order NSL-3660(DD)

ARCO Permian

January 6, 1997

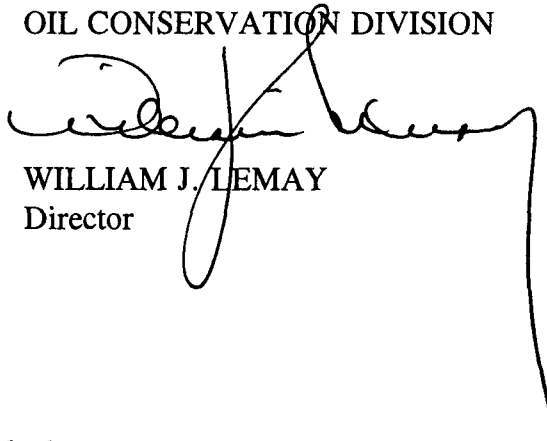
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(2) All other provisions of said Order NSL-3660 not in conflict with this change shall remain in full force and effect until further notice.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-3660