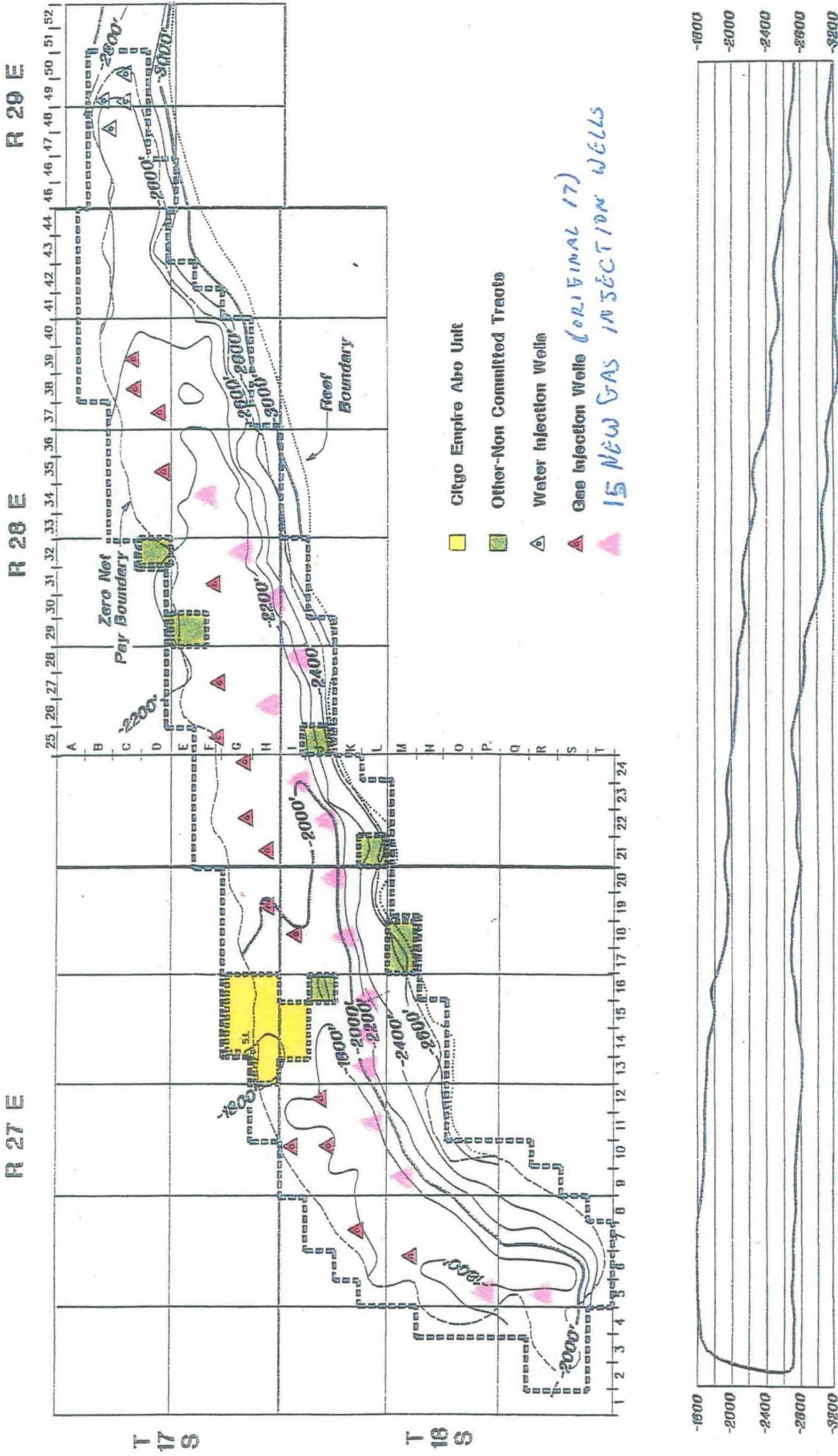


EMPIRE ABO POOL

Eddy County, New Mexico

Top Of Reef



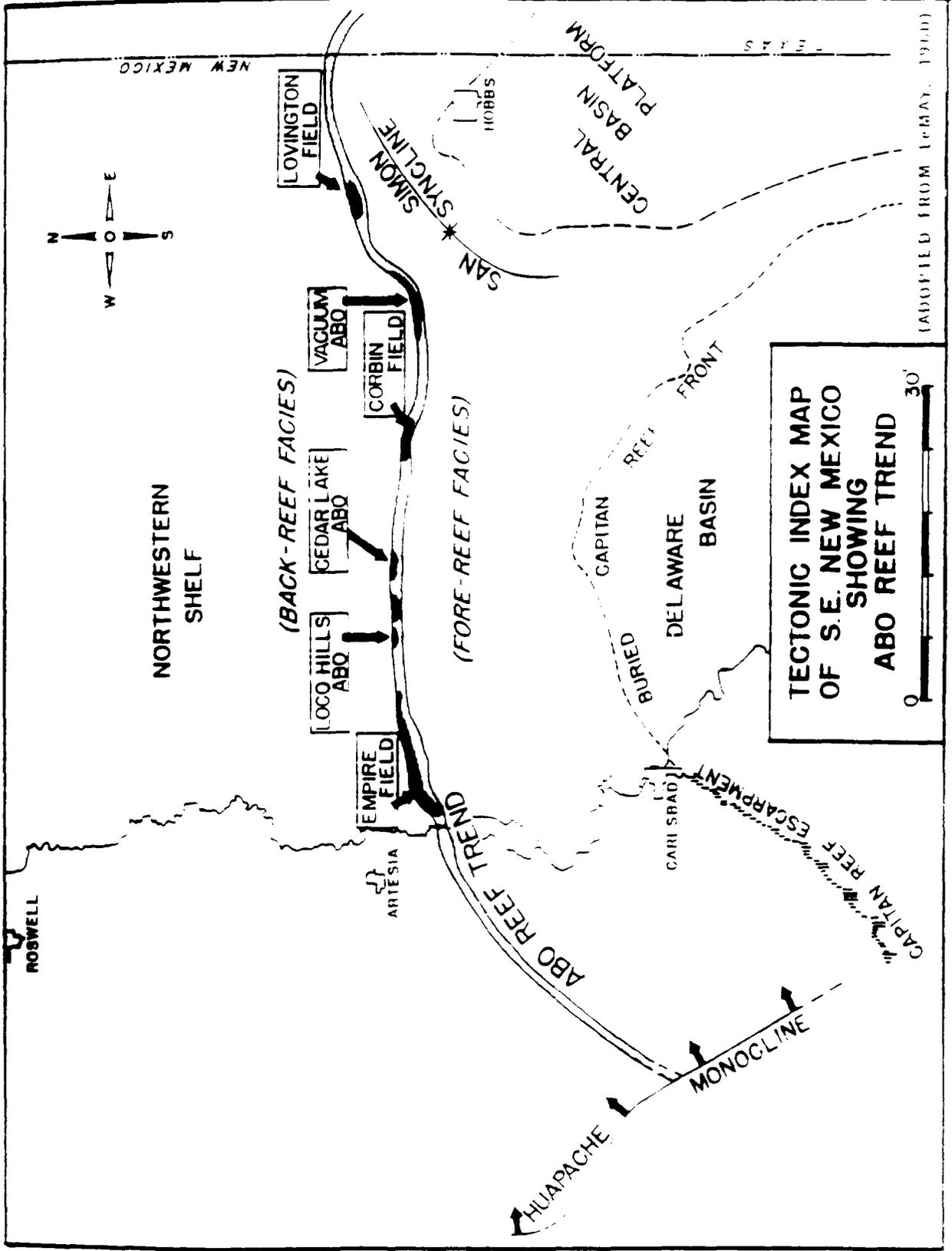
West-East Front Elevation

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

Case No. 11109 Exhibit No. 1

Submitted by: Arco Permian
A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994



TECTONIC INDEX MAP
OF S.E. NEW MEXICO
SHOWING
ABO REEF TREND

(ADAPTED FROM LEHAY, 1960)

**BEFORE THE
OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Case No. 11109 Exhibit No. 2

submitted by: Arco Permian
A Unit Of Atlantic Richfield
Hearing Date: September 29, 1994

CORRELATION CHART SOUTHEASTERN NEW MEXICO

PERIOD	SERIES	NORTHWESTERN SHELF	MARGIN	DELAWARE BASIN	
P E R M I A N	G u a d a l u p e	Tansill	Capitan Limestone	Bell Canyon	
		Yates			
		Seven Rivers			
		Queen	Goat Seep Limestone	Cherry Canyon	
		Grayburg			
	San Andres	San Andres	Brushy Canyon		
	Glorieta (surface) Glorieta (subsurface)	Victorio Peak		===== 1st Sand	
	Yeso == Tubb ==		===== 2nd Sand		
	L e o n a 	Abo	 Abo Shale Abo Reef	===== 3rd Sand	Bone Spring
		Wolfcamp	Hueco	Wolfcamp	Wolfcamp

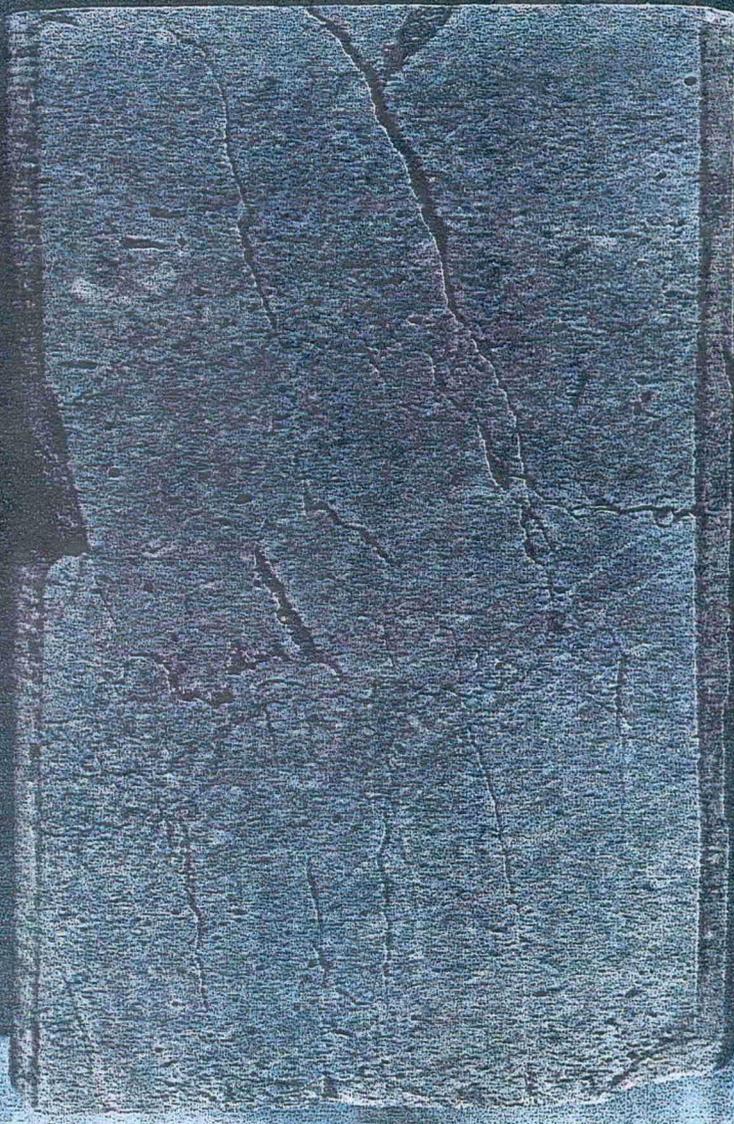
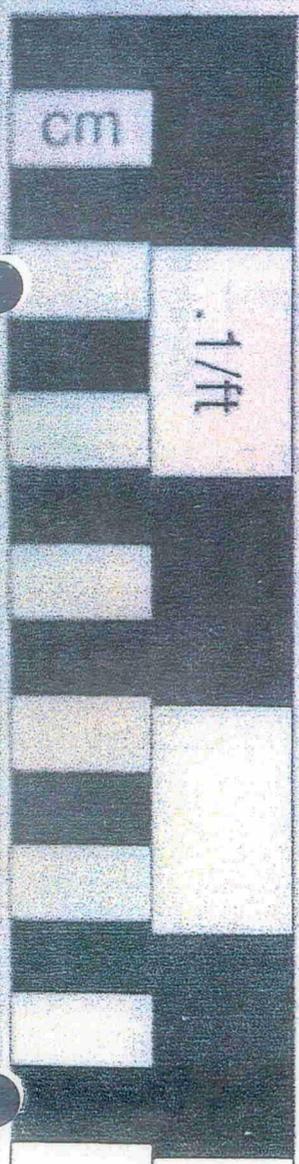
BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 3

Submitted by: Arco Permian
 A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994

**ARCO
EMPIRE EAU
M-131
EDDY CO. NM.**



6129.1

Figure 16. Upper slope packstone/wackestone: note well developed fracture system, moldic porosity, and stylolites. Whole-core measurements: porosity - 3.4 %; K Max - 45 md; Kv - NA.

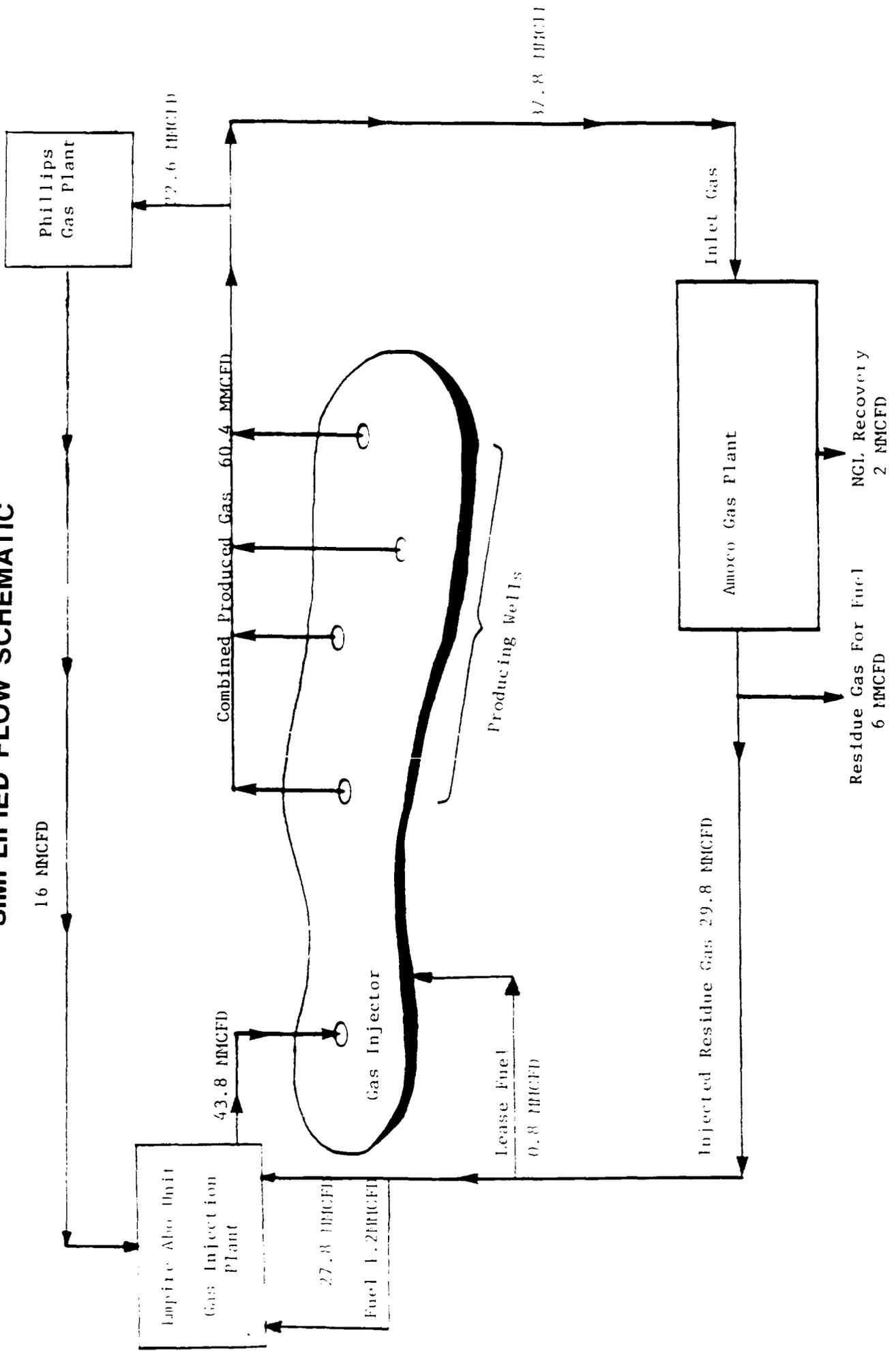
**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 4

Submitted by: Arco Permian
A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994

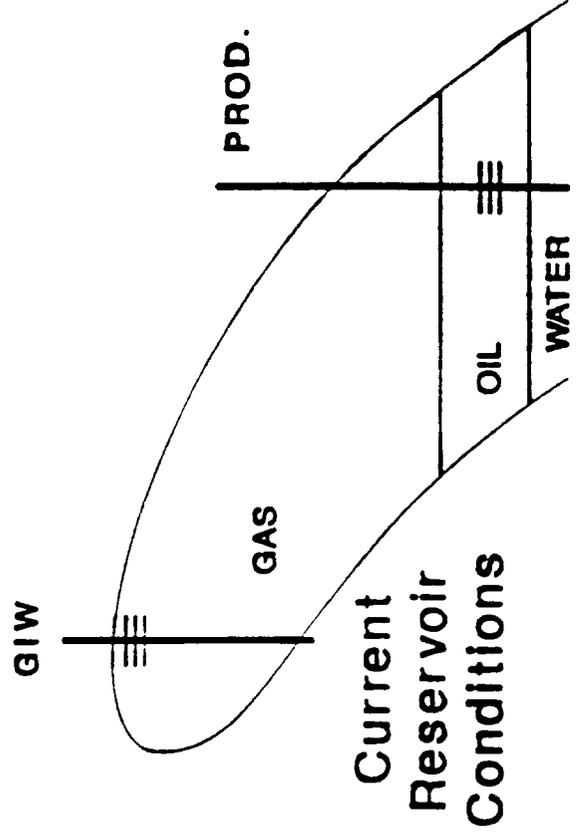
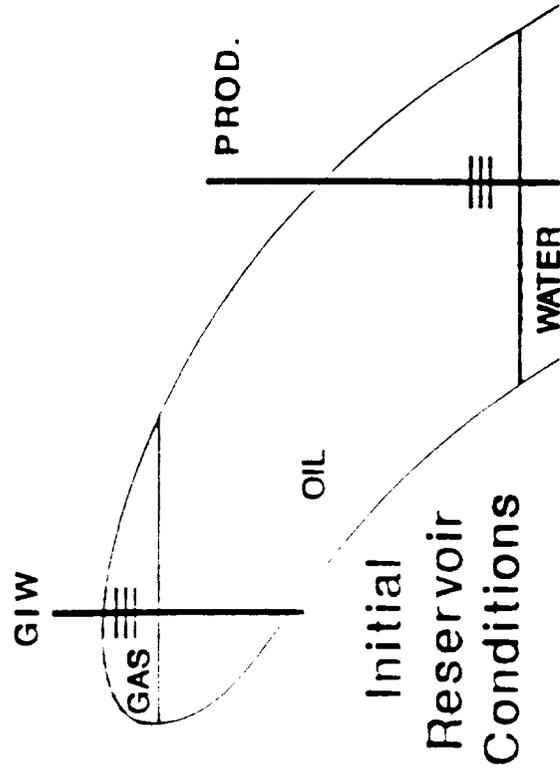
EMPIRE ABO UNIT SIMPLIFIED FLOW SCHEMATIC



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

Case No. 11109 Exhibit No. 5

Submitted by: Arco Permian
A Unit Of Atlantic Richfield
Hearing Date: September 29, 1994



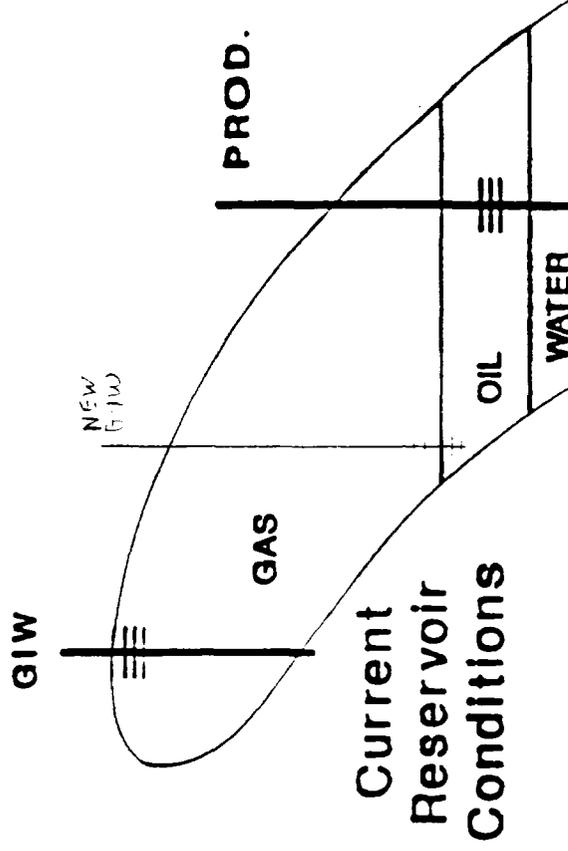
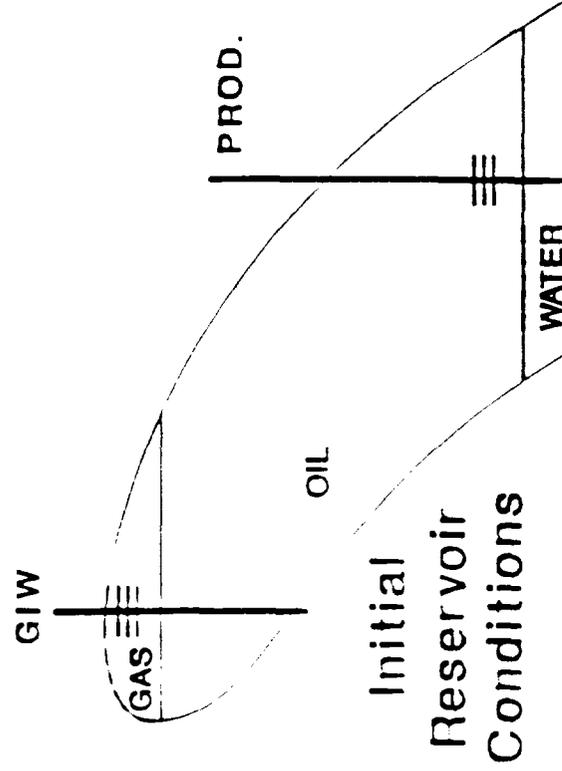
EMPIRE ABO UNIT Reservoir Schematic

Current Conditions

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 6

Submitted by: Arco Permian
A Unit Of Atlantic Richfield
Hearing Date: September 29, 1994



Current Conditions

**EMPIRE ABO UNIT
Reservoir Schematic**

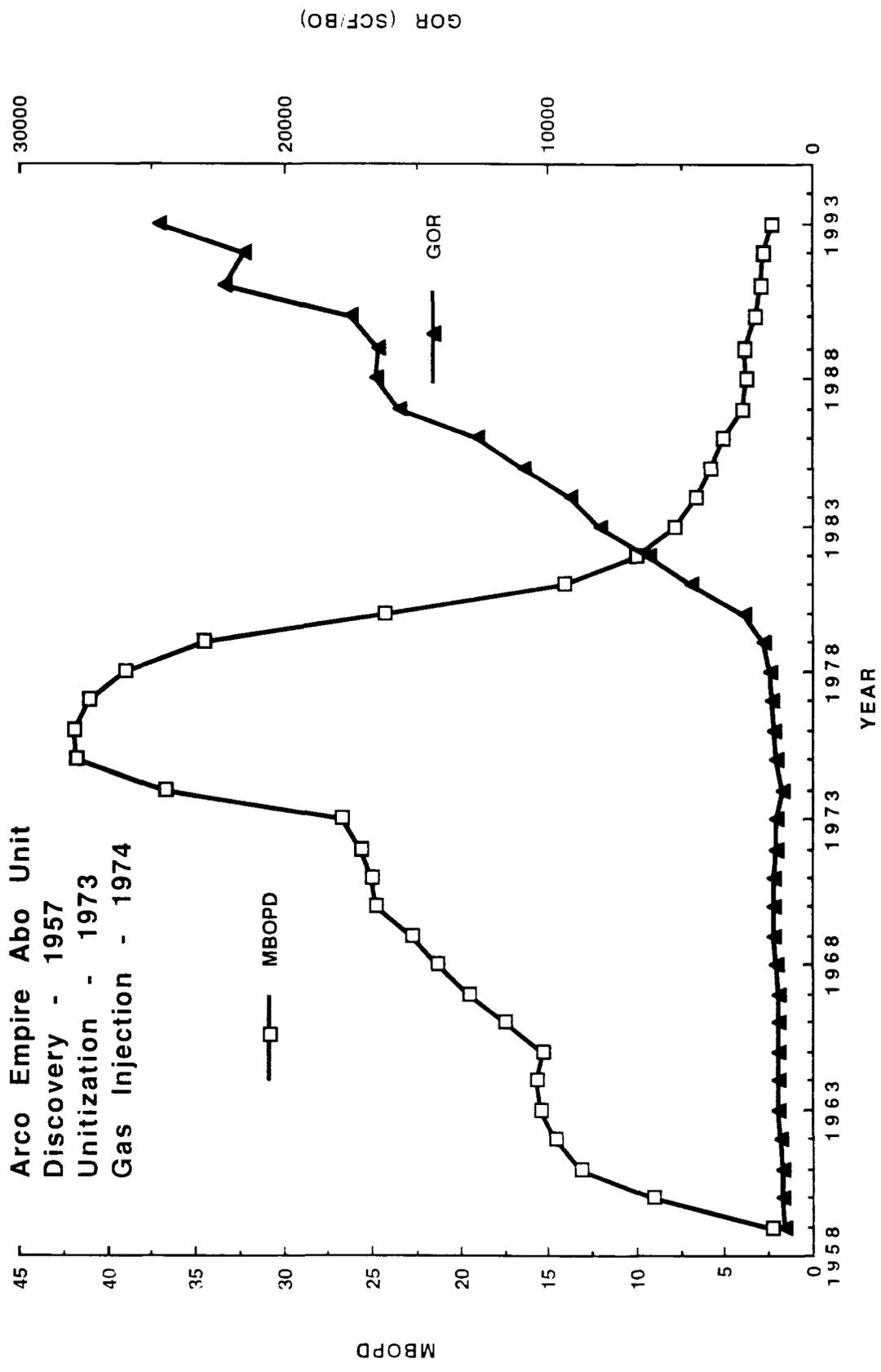
BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 7

Submitted by: Arco Permian

A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994



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

Case No. 11109 Exhibit No. 8

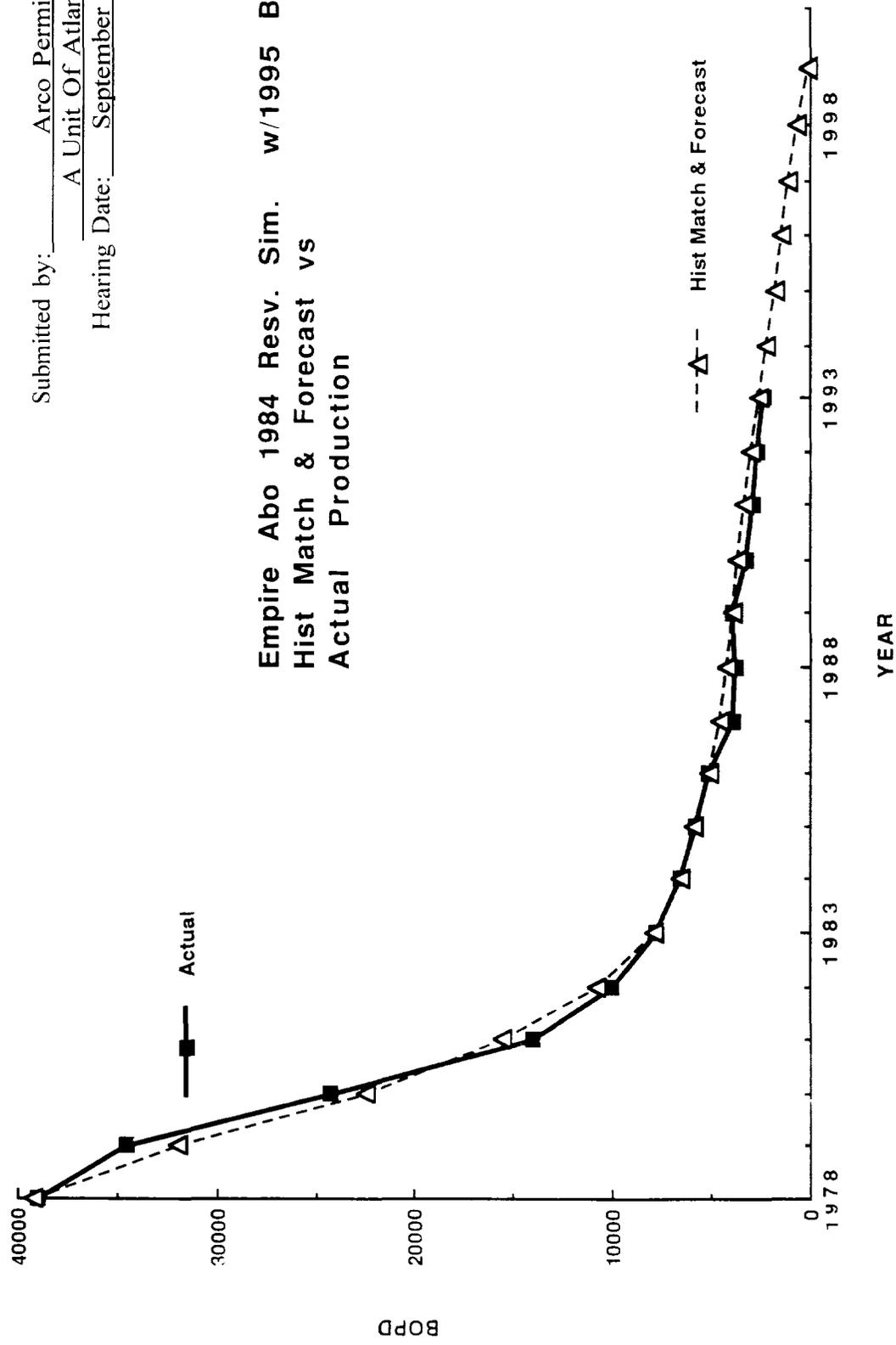
Submitted by: Arco Permian
A Unit Of Atlantic Richfield
Hearing Date: September 29, 1994

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

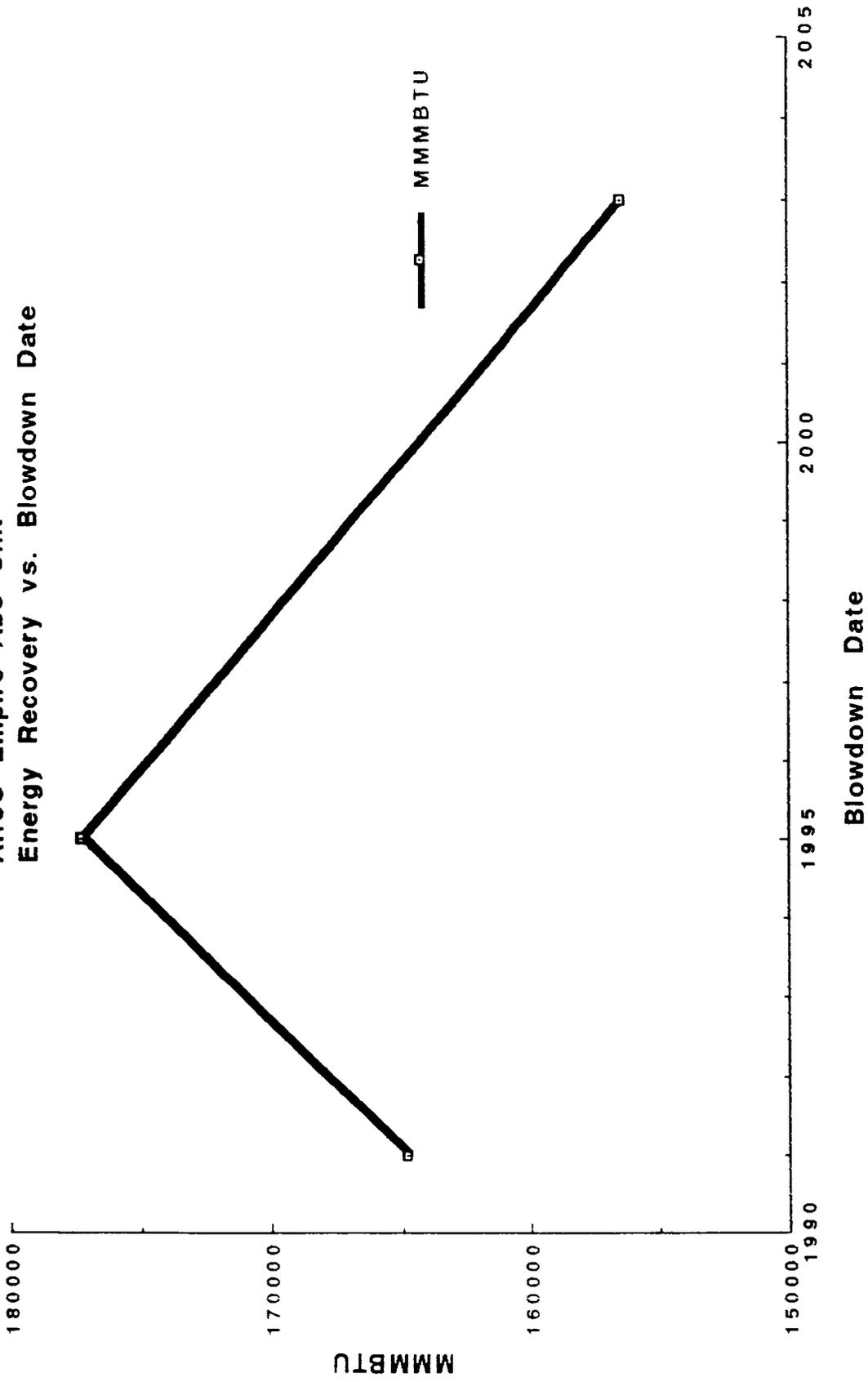
Case No. 11109 Exhibit No. 9

Submitted by: Arco Permian
A Unit Of Atlantic Richfield
Hearing Date: September 29, 1994

Empire Abo 1984 Resv. Sim. w/1995 BD
Hist Match & Forecast vs
Actual Production



ARCO Empire Abo Unit Energy Recovery vs. Blowdown Date



BEFORE THE

OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 11109 Exhibit No. 10

Submitted by: Arco Permian

A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994

Rule 1. The project area of the ARCO Empire-Abo Unit Pressure Maintenance Project, hereinafter referred to as the Project, shall comprise the area described as follows:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.

Section 34: S/2 SE/4
Section 36: S/2

TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.

Section 25: S/2, S/2 N/2
Section 26: S/2, S/2 NE/4, SE/4 NW/4
Section 27: S/2
Section 31: S/2, S/2 N/2
Section 32: S/2, NE/4, S/2 NW/4, NE/4 NW/4
Section 33: S/2, NE/4, S/2 NW/4, NE/4 NW/4
Section 34: All
Section 35: N/2, N/2 S/2
Section 36: N/2 NW/4, NE/4 NW/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.

Section 29: S/2 NW/4, N/2 SW/4
Section 30: SW/4, S/2 N/2, N/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.

Section 1: All
Section 2: S/2, NE/4 NE/4, SW/4 NE/4, S/2 NW/4, NW/4 NW/4
Section 3: All
Section 4: SE/4, S/2 NE/4, S/2 SW/4, NE/4 SW/4
Section 8: E/2 SE/4, SE/4 NE/4
Section 9: All
Section 10: W/2, NE/4
Section 11: NW/4, W/2 NE/4, NE/4 NE/4
Section 15: N/2 NW/4, SW/4 NW/4
Section 16: N/2, SW/4, N/2 SE/4, SW/4 SE/4
Section 17: S/2 NE/4, NE/4 NE/4, SE/4 NW/4, NE/4 SW/4, N/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.

Section 4: N/2 N/2, SW/4 NW/4
Section 5: NE/4, N/2 NW/4, SE/4 NW/4
Section 6: N/2, N/2 S/2, SW/4 SE/4, SE/4 SW/4

Rule 2. The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut in, curtailed, or used as injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

Rule 3. That the maximum daily project allowable shall be an amount of oil which will result in monthly average associated gas production of no more than 65 MMCF per day.

For the purpose of these rules, "Available Residue Gas" shall be defined as being all gas produced from the unitized formation less plant shrinkage, plant fuel, and ~~lease fuel required for operation of the lease gas sales.~~

Rule 4. Gas injection will include all Available Residue Gas less lease fuel ~~shall be reinjected. No raw gas nor plant residue gas attributable to the project shall be sold or otherwise disposed of by any other means.~~

In addition to the injection of Available Residue Gas, the project operator may inject up to and including 35 million cubic feet of extraneous gas per day into the Abo formation underlying the project area.

Withdrawals of said extraneous gas may be made, pending reservoir blow down, as follows:

(A) During each of the winter seasons (November 1 through March 31) of 1990 through 1996, a volume of gas not to exceed 300,000 MCF may be withdrawn, provided that the volume of extraneous gas withdrawal shall be replaced during the next succeeding summer season (April 1 through October 31) at a rate not to exceed 2,300 MCFD.

(B) During each of the winter seasons (November 1 through March 31) of 1996 through 1998, a volume of gas not to exceed 800,000 MCF may be withdrawn, provided that the volume of extraneous gas withdrawn be replaced during the next succeeding summer season (April 1 through October 31) at a rate not to exceed 5,500 MCFD.

(C) In addition to complete replacement of the volumes of extraneous gas withdrawn during the immediately preceding winter season, an additional volume of gas shall be injected during each summer season equal to 12% of the volume withdrawn

during the immediately preceding winter season to compensate the Empire Abo Unit for any fuel used, shrinkage or metering errors.

(D) No extraneous gas may be withdrawn during a winter season until all gas withdrawn during preceding winter seasons is replaced plus the additional 12% volume required by Paragraph C of this rule.

(E) The provisions of Paragraphs 4 (A) through 4 (D) shall be of no further effect on the date the Pressure Maintenance Project ceases or November 1, 1998, whichever occurs first.

The project operator shall establish and maintain an "Extraneous Gas Bank Statement" ~~which shall be filed with the Division each month concurrently with the project operators "Empire Abo Pressure Maintenance Project Monthly Report", and~~ which shall show thereon each month the volume of extraneous gas injected, the cumulative volume of such gas injected, the volume of gas withdrawn and delivered back to the supplier of extraneous gas and the net cumulative extraneous gas bank.

~~Rule 5. Allowables shall be assigned to unit wells in accordance with nominations submitted by the unit operator during the months of March, July, and November of each year. That such nominations shall accompany the Pressure Maintenance Project Operator's Report filed for that month.~~

The allowables assigned shall result in production of casinghead gas averaging not more than 65 MMCF per day for the month, provided however, that on a cumulative basis, the unit operator may carry gas overproduction of 325 MMCF. At least 70% of the produced gas will be "available residue gas" for the remainder of 1994. After 1994 the unit operator may elect to increase gas sales by decreasing the per cent (%) of produced gas required to be available residue gas. The unit operator will notify the working interest owners and gasoline plant operators, in accordance with the provisions of the Empire Abo Unit Agreement.

Written 26 days (change from application)

During times of mechanical failure or operational difficulty at the unit owned and operated Empire Abo Unit Gas Injection Plant an additional allowable will exist for gas sales, based on the plants expected run time of 95%. The allowable will consist of all gas sales associated with the produced gas rate of 65 MMCPFD for 5% of the year (365x.65x.05=1186 MMCF). This allowable will only be used during times of mechanical failure or operational difficulty or scheduled maintenance.

That no producing well in the project area which directly or diagonally offsets a well not committed to the unit, and producing from the same common source of supply, shall receive an allowable or produce in excess of two times the top unit allowable for the pool.

~~Rule 6. Each month the project operator shall submit to the Division a Pressure Maintenance Project Operator's Report on a form prescribed by the Division. The report shall show all project wells, production of oil, gas, and water, volumes of water residue gas, and extraneous gas injected; total production of oil, gas and water, and such other data as the Division may require.~~

~~Rule 7.~~ Rule 6. The Director of the Division is hereby authorized to approve such additional producing wells and gas injection wells at orthodox and unorthodox locations within the boundaries of the ARCO Empire Abo Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 660 feet to any outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary and provided that no well shall be approved for gas or water injection when such well is located closer than 1650 feet to a tract which is not committed to the unit and on which is located a well producing from the same common source of supply. To obtain such approval, the project operator shall file proper application with the Division Director, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

(1) A plat identifying the lands committed to the unit agreement and those lands not committed to said agreement, and showing the location of the proposed well, all wells within the unit area, and offset operators.

(2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

~~Rule 7. B.~~ Rule 6. B. The Director of the Division is hereby authorized to approve the drilling of "horizontal drainholes" for the purposes of production or injection within the boundaries of the ARCO Empire Abo Unit as may be necessary to complete an efficient production and injection pattern, provided no perforated or openhole portion of said wells shall be closer than 330 feet to the outer boundary of said unit or to any tract not committed to such unit nor, in the case of a well to be used for injection closer than 1650 feet to such boundary or tract. To obtain such approval, the project operator shall file proper application with the Division Director, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

(1) A plat identifying the lands committed to the unit agreement and those lands not committed to said agreement, and showing the location of the proposed well, all wells within the unit area, and offset operators.

(2) Schematic drawings of the proposed well which fully describes the casing, tubing, perforated or open-hole interval, kick-off point, and proposed trajectory of the drainhole section.

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

~~Rule 7. C.~~ Rule 6. C. The Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Director may grant immediate approval, provided waivers of objection are received from all offset operators.

~~Rule 7. D.~~ Rule 6. D. Within 20 days following completion of any horizontal drainhole the operator shall submit a report to the Division Director with sufficient detail to locate the kick-off point and the trajectory of the deviated portion of the well bore with respect to any quarter-quarter section(s) penetrated by such well and any 40-acre tract directly or diagonally offsetting such quarter-quarter section (s).

The Director may approve the final location of the horizontal drainhole by acceptance of such report.

The Director may rescind the authority for any horizontal drainhole if the perforated or openhole portion of such hole is located closer to the unit boundary or any uncommitted tract than permitted by these rules or if it should appear that such rescission is necessary to prevent waste or protect correlative rights.

~~Rule 8.~~ Rule 7. Expansion or contraction of the project area may be approved by the Director of the Division administratively when good cause is shown therefor.

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

Case No. 11109 Exhibit No. 11

Submitted by: Arco Permian
A Unit Of Atlantic Richfield
Hearing Date: September 29, 1994

Aho Petroleum Company
331 W. Main St., Ste A
Artesia NM 88210

Burnett Oil Co., Inc.
c/o Petroleum Financial, Inc.
1025 Fort Worth Club Bldg.
306 West 7th Street
Fort Worth TX 76102

Frederick L. Dunn, Jr.
100 Expressway Tower
2431 E. 51st St.
Tulsa OK 74105

Amoco Production Company
Attn: Jack Ervin - Joint Interest
P.O. Box 3092
Houston, TX 77253-3092

Cheedle and Elizabeth Caviness
7505 Derickson Avenue, NE
Albuquerque NM 87109

Frederick L. Dunn III
1746 E. 31st
Tulsa OK 74105

Lincoln Aston
3100-C Front St.
San Diego CA 92103

Chevron U.S.A. Inc.
Attn: NOJV Manager
P.O. Box 1635
Houston TX 77251

Margaret Lindsay Dunn De Romo
1618 East 30th Place
Tulsa OK 74105

Roger Aston
P.O. Box 1090
Roswell NM 88201

Cibola Energy Corporation
P.O. Box 1668
Albuquerque NM 87103

Exxon Company, USA #A08271
Attn: Joint Interest Manager
P.O. Box 1700
Midland TX 79702-1700

Estate of Bert Aston (C Trust)
c/o NCNB Texas, Trust Oil & Gas
P.O. Box 830308
Dallas TX 75283-0308

Tracy P. Clark
5609 ECR 120
Midland TX 79706

Texas Commerce Bank-Midland,
N.A. and Celeste Fasken, Co-Ind.
Execs. and Co-Trustees, U/W/O
Murray Fasken, Acct. 01-1816-00
P.O. Box 10966
Midland TX 79702-0966

Boling Family Trust, Robt E. &
Robt. M. Boling, Co-Trustees
305 South 5th Street
Artesia NM 88210

Conoco Inc.
Attn: New Mexico JIBS
10 Desta Drive West, Suite 100W
Midland TX 79705

Fina Oil & Chemical Company
6 Desta Drive, Suite 4400
Midland TX 79705

Robert E. Boling Family Trust, Robt.
E. & Robt. M. Boling, Co-Trustees
305 South 5th Street
Artesia NM 88210

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134-2600

W. D. Flynn Estate No. 4285-17
Continental Bank, N.A.
P.O. Box 2081
Chicago, Illinois 60690
Attn: Jan Yarnell

Mary Boling
P.O. Box 768
Artesia, NM 88211

James I. Deloache
600 One Preston Sq.
8222 Douglas Avenue
Dallas TX 75225

Thomas W. Flynn
824 Symphony Isles Blvd.
Ruskin FL 33572-2744

John S. Brown, Jr.
418 Meadows Bldg.
Dallas TX 75206

Devon Energy Corporation
Attn: Ken Gray
20 N. Broadway, Suite 1500
Oklahoma City OK 73012-8260

K. L. Fouch
P.O. Box 68
Childress TX 79201

John S. Brown
418 Meadows Bldg.
Dallas TX 75206

Charles Burnett Dunn
2836 East 38th Street
Tulsa OK 74105

Walter Granberry
3801-B 24th St.
Lubbock TX 79410-1813

Evans H. Dunn
3414 East 64th St.
Tulsa OK 74136-1445

The Regents of the Univer. of NM
Carl A. Hatch, Professorship of Law
& Public Administration Fund
251 Scholes Hall, University, NE
Albuquerque NM 87131

J.E Miller Est #9674-00-01
National Bank Dallas
Trust Oil & Gas, 17 Plaza
P.O. Box 830308
Dallas, TX 75283-0308

Margaret Ruth Sheldon
P.O. Box 404
Kingsland TX 78639

Margaret Holcomb
1522 Michigan Avenue
Alamogordo NM 88310

J. Hiram Moore
310 W. Wall, Suite 404
Midland TX 79701

Southland Royalty Company
P.O. Box 51810
Midland TX 79710-1810

Beth Joanne Johnson
c/o Rutter & Wilbanks
P.O. Box 3186
Midland TX 79701

John D. Phillips, Trustee for
Eugene E. Nearburg
c/o Keleher & McCleod, P.A.
P.O. Drawer AA
Albuquerque NM 87103

Mary Ann Curtis, Trustee
M. A. Curtis Family Trust
1504 Bedford Drive
Oklahoma City OK 73116

Harold Kersey
c/o Kersey & Company
P.O. Box 316
Artesia NM 88210

Sharon Aston Olsen
P.O.Box 7296
Laguna Niguel CA 92677

Ed A. Volger
300 West Texas, Suite 820
Midland TX 79701

Carolyn K. Lisle, Trustee of C. K.
Lisle 1990 Revocable Trust
2540 Warwick Dr.
Oklahoma City OK 73116-4324

Arthur L. Owen
Lock Box 52
3811 Turtle Creek Blvd., Ste 1700
Dallas TX 75219-4419

Wadi Petroleum, Inc.
14405 Walters Road, Suite 400
Houston TX 77014

Marathon Oil Company
Attn: Financial Accting Supervisor
P.O. Box 552
Midland TX 79702

John Douglas Pappas
5110 Bromley
Corpus Christi, TX 78413

Mr. Bud F. Walker
2304 Calle De Panza NW
Albuquerque NM 87104

Dorothy Marcum
4201 Spring Branch Drive
Fort Worth TX 76116

L. J. Reischman
P.O. Box 2527
Roswell NM 88202

Ann V. B. Windfohr Trust
Burnett Oil Co., Inc.
801 Cherry St., Suite 1500
Fort Worth TX 76102

Delton Marcum
3115 Stanolind
Midland TX 79705

Rutter & Wilbanks Corp.
P.O. Box 3186
Midland TX 79701

Harvey E. Yates, Individually and as
Harvey E. Yates Company
P.O. Box 1933
Roswell NM 88202-1933

Gordon Marcum, Individually and
for the Estate of Bessie Marcum
2601 Lockheed
Midland TX 79701

Samedan Oil Corporation
12600 Northborough, Suite 250
Houston TX 77067

Robert H. Ziegler, Jr.
P.O. Box 8621
Ketchikan AK 99901

Judith A. Menzel Gilchrist
1000 Cotton Bowl
Taylor TX 76574

Estate of Nelle G. Scheurich
Carlsbad Nat'l Bank, Trust Dept
P.O. Box 1359
Carlsbad NM 88220

Charles Aston
Sunwest Bank of Albuquerque,
Agent for the Aston Partnership
P.O. Box 26900
Albuquerque NM 87125-6900

Thelma Kersey Methvin Trust
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Alamogordo NM 88310

Marla Jo Schmid
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Austin TX 78759

Yates Petroleum Corporation, et al
105 South Fourth Street
Yates Building
Artesia NM 88210

Carla Leet -- ASSAF
6146 Reamer St.
Houston TX 77074-7548

Jean Coleman Trust, 1st Nat'l
P.O. Drawer AA
Artesia NM 88211-0716

Chase Oil Corp.
P.O. Box 276
Artesia, NM 88211-0276

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Cambridge MA 02138

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Houston TX 77046

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1616 South Monroe
San Angelo TX 76901

Marianne Solt Lewis
1609 Northgate
Artesia NM 88210

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Trustee, Account No. 30-182500
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Midland TX 79702-0966

Ryan P. Hatch
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Gaithersburg MD 20878

Ann Z. Bradford
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Edmonds WA 98020

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Attn: Diana Billman
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Frederika A. Leet
2 Briar Oak Dr.
Weston CT 06883

Fair Oil Company
P.O. Box 689
Tyler, TX 75710

Ms. Gladys A. Koontz
P.O. Drawer 58568
Nassau Bay TX 77259

Glen F. Leet, Jr.
2 Briar Oak Dr.
Weston CT 06883

Sunwest Bank of Roswell, NA
Ancillary Personal Representative
of the Estate of Charles Albert
Aston, Jr.
P.O. Box 1858
Roswell, NM 88201

Ms. Shirley D. McGehearty
1905 Candlewood Drive
Bay City TX 77414

Jeannie H. Hutchison
3 Woodstone Sq.
Austin TX 78703

The First National Bank of Midland
for Acct of Thomas C. Brown
Acct #358-1170066
P.O. Box 97
Midland, TX 79702

Robert H. Marshall
P.O. Box 1422
Midland TX 79702

Victoria Hatch Pereira
1306 Ridgcrest Dr.
Albuquerque NM 87108-3462

Albuquerque National Bank, Trustee
for a Revocable Trust of Ruth Hatch
P.O. Box 1344
Albuquerque, NM 87103

Randy Bruno
5211 Whitman Drive
Midland TX 79705

Frank Hatch
9111 Splendido Way
Elk Grove CA 95758

Texaco
Tenneco Oil Company
P.O. Box 46510
Denver, CO 80201

Sue C. Doak Copas
P.O. Box 606
Cisco TX 76437-0606

Comet Petroleum, Inc.
P.O. Box 1240
Graham TX 76450

Seven Oil LTD
11000 Candelaria NE
Albuquerque, NM 87112

Texas American Oil Corporation
Interfirst Bank Dallas
Dept 0769
Dallas, TX 75284-0769

Phillips Petroleum
ATTN: JACK PICKETT
4001 PENBROOK
ODessa, TX 79762

RHONDA OPERATING
500 N. LORAIN
MIDLAND, TX 79701

BRIDGE OIL USA INC.
400 W. ILLINOIS AVE.
MIDLAND, TX 79701

DURHAM INC.
505 N. BIG SPRING ST.
MIDLAND, TX 79701

SIDNEY LANIER
1807 N. D
MIDLAND, TX 79705

MARBOB
DRAWER 217
ARTESIA, NM 88211-0217

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

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

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ
TANYA M. TRUJILLO

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

September 6, 1994

TO ALL OPERATORS IN THE EMPIRE-ABO PRESSURE MAINTENANCE PROJECT AREA, ALL OPERATORS WITHIN ONE MILE THEREOF AND TO ALL UNLEASED MINERAL OWNERS IN THE EMPIRE-ABO PRESSURE MAINTENANCE PROJECT AREA

Re: Application of ARCO Permian, A Unit of Atlantic Richfield, for Amendment of the Special Rules and Regulations for the Empire-Abo Pressure Maintenance Project to Permit Partial Gas Sales, Eddy County, New Mexico

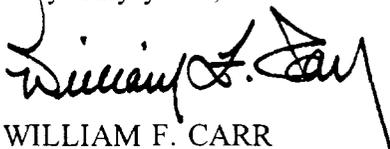
Gentlemen:

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 Amendment of the Special Rules and Regulations for the Empire-Abo Pressure Maintenance Project to permit partial gas sales and corresponding changes in the reporting requirements for project operations. The Empire-Abo Pressure Maintenance Project is located in Townships 17 and 18 South, Ranges 27, 28 and 29 East.

This application has been set for hearing before a Division Examiner on September 29, 1994. 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 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
Enclosure

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

Case No. 11109 Exhibit No. 12

Submitted by: Arco Permian
A Unit Of Atlantic Richfield
Hearing Date: September 29, 1994