

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11727

APPLICATION OF ARCO PERMIAN,
A UNIT OF ATLANTIC RICHFIELD,
FOR AN UNORTHODOX BOTTOMHOLE
LOCATION AND DIRECTIONAL DRILLING,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Arco Permian, a unit of Atlantic Richfield
Post Office Box 1610
Midland, TX 79702
Attn: Lee Scarborough
(915) 688-5355 _____

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

Arco Permian, a unit of Atlantic Richfield, applicant in the above-styled cause, seeks authorization to directionally drill its Evelyn 35 State Com Well No. 1 to the base of the Upper Mississippian formation from a surface location 1730 feet from the North line and 660 feet from the East line (Unit H) to an unorthodox bottomhole location within 100 feet of a point in the Morrow formation, South Empire-Morrow Gas Pool, 1253 feet from the North line and 508 feet from the East line of Section 35, Township 17 South, Range 28 East.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

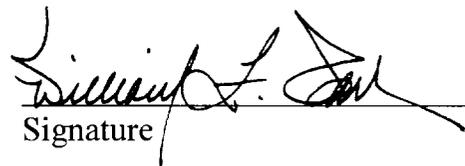
APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|-----------------|
| Lee Scarborough, Land | 10 Min. | Approximately 3 |
| Dave Percy, Engineer | 10 Min. | Approximately 3 |

OPPOSITION

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
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PROCEDURAL MATTERS


Signature