

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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

MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
PAUL R. OWEN

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

January 28, 1997

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

11929

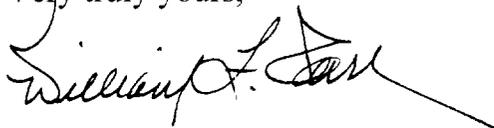
Re: Application of ARCO Permian, a Division of Atlantic Richfield Company, for
an unorthodox bottomhole location and directional drilling, Eddy County, New
Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of ARCO Permian, a Division of Atlantic Richfield
Company, in the above-referenced case as well as a copy of a legal advertisement. ARCO
requests that this matter be set for hearing before a Division Examiner on February 20, 1997.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Lee Scarborough (w/enclosures)
Mr. Dave Percy (w/enclosures)

CASE 11727:

Application of ARCO Permian, a Division of Atlantic Richfield Company, for an unorthodox bottomhole location and directional drilling, Eddy County, New Mexico. 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 to an unorthodox bottomhole location within 100 feet of a point in the Morrow formation, Empire South-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, NMPM. The N/2 of said Section 35 shall be dedicated to this well. Said area is located approximately 18 miles southeast of Artesia, New Mexico.

STATE OF NEW MEXICO
COUNTY OF EDDY
OFFICE OF THE COUNTY CLERK
11/17/27

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARCO PERMIAN, A DIVISION OF
ATLANTIC RICHFIELD COMPANY, FOR AN
UNORTHODOX BOTTOMHOLE LOCATION
AND DIRECTIONAL DRILLING
EDDY COUNTY, NEW MEXICO.

CASE NO. 11727

APPLICATION

ARCO PERMIAN, A DIVISION OF ATLANTIC RICHFIELD COMPANY ("ARCO"), by its undersigned attorneys, hereby makes application for approval of an unorthodox bottomhole well location and for directional drilling and in support thereof states:

1. ARCO is the operator of an existing 320-acre spacing and proration unit in the Morrow formation, Empire South-Morrow Gas Pool, comprised of the N/2 of Section 35, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico which is dedicated to its Evelyn 35 State Com Well No. 1 located in Unit H of Said Section 35.

2. ARCO proposes to reenter and directionally drill the Evelyn 35 State Com Well No. 1 to a depth sufficient to test all formations from the surface 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 to an unorthodox bottomhole location in the Morrow formation, within 100 feet of a point 1253 feet from the North line and 508 feet from the East line of

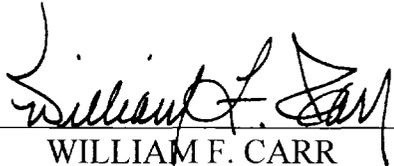
said Section 35.

3. Approval of this application and the drilling of the proposed well will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, ARCO Permian, a Division of Atlantic Richfield Company, requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 20, 1997, and after notice and hearing as required by law, the Division enter its order granting this application (1) approving an unorthodox bottomhole location for the Evelyn 35 State Com Well No. 1 within 100 feet of a point in the Morrow formation 1253 feet from the North line and 508 feet from the East line of Section 35, Township 17 South, Range 28 East; and (2) authorizing the directional drilling of said well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
WILLIAM F. CARR

Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR ARCO PERMIAN, A
DIVISION OF ATLANTIC RICHFIELD
COMPANY