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

State of New Mexico Energy, Minerals & Natural Resources Depar.

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OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Form C-101 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies 11.20

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address ² OGRID Number								RID Number				
ARCO PERMIAN											000990	
P.O.BOX 1610											PI Number	
MIDLAND, TX 79702											-22124	
	erty Code		⁵ Property Name ⁶ Well							Well No.		
2295	54		WASHINGTON "33" STATE 28						28			
					⁷ Surface I	_ocat	ion					
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from t	he North/S		outh Line	Feet from the	East/West line	County	
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UL or lot no.	Section	Township	Range	Lot. Idn Feet from the North/South Line Feet from the		Feet from the	East/West line	County				
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	ARTESIA (Q-G-SA) 3230											
11 Work T	ype Code	12	Well Type Code		13 Cable/Rotary		¹⁴ Lease Type Code		¹⁵ Ground Level Elevation			
	RYC	7	0		I	R		S		3661		
16 Mul	ltiple	1	17 Proposed Depth		¹⁸ Form	ation		¹⁹ Contractor		20 Spud Date		
	NO					NDDES					8/98	
L				²¹ Propos	ed Casing			Program	n			
Hole S	ize	Casi	ng Size	Casing	veight/foot	Setting Depth Sacks of Ceme			Sacks of Ceme	nt Estimated TOC		
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7-7/8		5	5-1/2		14		6362		1400	SURF		
				ļ								
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary ORIGINALLY DRILLED AND COMPLETED AS THE EMPIRE ABO UNIT H-311 IN 1977. TD @6362'. TESTED ABO 6044'-6234'. TA'D W/CIBP @ 5880' ON 7-19-89. PROPOSED TO DUMP 35'CEMENT ON CIBP @5880', RUN CNL-CCL GAMMA RAY AND PERF SAN ANDRES AS INDICATED ON LOG. TEST AND FRAC AS NEEDED.												
NSC-809-A												
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.						OIL CONSERVATION DIVISION						
Signature: Elizneur la Cusken						Approved by: Jim W. Gum B6A						
Printed name: ELIZABETH A. CASBEER						Title: Wistrict Supervisor						
Title: REG./COMP. ANALYST						App	oval Date	» <u>7</u>	<u>1-98</u>	xpiration Date:	7-7-98	

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II P.O. Drawer DD. Artesia, NM 86211-0719

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV P.O. BOX 2088, SANTA FE, N.M. 87504-2088 _____

Revised February 10, 1994 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

AFI Number Pool Code ARTESIA Pool Anne 30 - 015 - 221741 Property Name Respect Anne Feil Number 22954 WASHINGTON 33 STATE 28 000RD No. Operation Name 29 000RD No. Operation Name 28 000RD No. Operation Name 28 000RD No. Surface Location Elevation UL or lot No. Section Township Range 00 31 17 S 28 E 313 South line Peet from the East/Feet line Country 00 do 33 17 S 28 E In Image South Respective Name Country 00 do 33 17 S 28 E In Image South Respective Name Country 01 or lot No. Section Township Range Lot Idn Peet from the North/South line Peet from the East/Feet line Country 02 of a lot Non-Standard UNIT Has BEEN APPROVED BY THE DIVISION 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 Image and being 04 01 01 01 03 <t< th=""><th colspan="7">WELL LOCATION AND ACREAGE DEDICATION PLAT</th></t<>	WELL LOCATION AND ACREAGE DEDICATION PLAT										
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`		ABOVE THIS LINE FOR DIVISION USE ONLY
		NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -
<u> </u>		ADMINISTRATIVE APPLICATION COVERSHEET
	THIS COV	VERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REDUCTIONS
Applic	[,	[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [SD-Simultaneous Dedication] Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] -Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF A [A]	PPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Directional Drilling NSL NSP DD SD
	Chec] [B]	COne Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
.]	NOTIFICAT [A]	TION REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners
	[B]	Offset Operators, Leaseholders or Surface Owner
	[C]	Application is One Which Requires Published Legal Notice
	[D]	Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
	[E]	□ For all of the above, Proof of Notification or Publication is Attached, and/or,
	[F]	U Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

4. CASBEER COMP ANALYST leste



ARCO Permian 600 North Marienfeld Midland TX 79701-4373 Post Office Box 1610 Midland TX 79702-1610 Telephone 915 688 5570

Elizabeth A. Casbeer Regulatory/Compliance Analyst

June 3, 1998

CERTIFIED RETURN RECEIPT MAIL

Altura Energy P. O. Box 4294 Houston, Texas 77210

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCD for an unorthodox location for Washington "33" State #28 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-311 is 313'FSL and 2490'FEL of Section 33, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within 20 days after the application has been received.

Sincerely,

stud h. Caster

Elizabeth A. Casbeer Regulatory/Compliance Analyst

EAC:lc



ARCO Permian 600 North Marienfeld Midland TX 79701-4373 Post Office Box 1610 Midland TX 79702-1610 Telephone 915 688 5570

Elizabeth A. Casbeer Regulatory/Compliance Analyst

June 3, 1998

CERTIFIED RETURN RECEIPT MAIL

Bulldog Energy Corp. P. O. Box 668 Artesia, New Mexico 88210

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCD for an unorthodox location for Washington "33" State #28 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-311 is 313'FSL and 2490'FEL of Section 33, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within 20 days after the application has been received.

Elizabeth A. Casheer Regulatory/Com

EAC:lc



ARCO Permian 6C0 North Marienfeld Midland TX 79701-4373 Post Office Box 1610 Midland TX 79702-1610 Telephone 915 688 5570

Elizabeth A. Casbeer Regulatory/Compliance Analyst

June 3, 1998

CERTIFIED RETURN RECEIPT MAIL

Mack Chase, Trustee P. O. Box 1767 Artesia, New Mexico 88211

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCD for an unorthodox location for Washington "33" State #28 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-311 is 313'FSL and 2490'FEL of Section 33, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within 20 days after the application has been received.

Sincerely,

zalend 4. Carban

Elizabeth A. Casbeer Regulatory/Compliance Analyst

EAC:lc



ARCO Permian 600 North Marienfeld Midland TX 79701-4373 Post Office Box 1610 Midland TX 79702-1610 Telephone 915 688 5570

Elizabeth A. Casbeer Regulatory/Compliance Analyst

June 3, 1998

Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Gentlemen:

Under the provisions of NMOCD Rule 104.F(d), ARCO Permian requests administrative approval for unorthodox location for its Washington "33" State #28, a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #H-311 is 313'FSL and 2490'FEL of Section 33, T17S, R28E, Eddy County, New Mexico. This well was drilled at an approved unorthodox location for the original horizon.

As required, we are submitting a plat showing the subject 40-acre spacing unit with the unorthodox location, a map identifying the adjoining and diagonal encroached-upon leases and wells, and a list of affected parties.

Should you have any questions, please do not hesitate to call me at 915-688-5570 or Dave Pearcy at 915-688-5355. Thank you for your assistance in this matter.

Sincerely,

Lizzleak h. Cashen

Elizabeth A. Casbeer Regulatory/Compliance Analyst

EAC:lc

cc: NMOCD, Artesia, New Mexico

OFFSET OPERATORS WASHINGTON "33" STATE #28

Mack Chase, Trustee P. O. Box 1767 Artesia, New Mexico 88211

Altura Energy Ltd. P. O. Box 4294 Houston, Texas 77210

Bulldog Energy Corp. P. O. Box 668 Artesia, New Mexico 88210 STATE OF TEXAS

COUNTY OF MIDLAND

BEFORE ME, the undersigned authority on this day personally appeared Elizabeth A. Casbeer, a Regulatory Compliance Analyst with ARCO Permian, who being by me duly sworn, deposes and states that the persons listed on the foregoing attached list has been sent a copy on June 3, 1998, Oil Conservation Division Form C-101 (and supporting documentation) entitled, "Application For Permit to Drill or Deepen" for the Washington "33" State #28.

ARCO Permian

1 G. Cashen

SUBSCRIBED AND SWORN TO before me on June 3, 1998, to certify which witness my hand and seal of office.

Y PUBLIC, STATE OF TEXAS



LEIGH ANN LANE Notary Public, State of Texas My Commission Expires: 12-12-2000

Geologic and Engineering Discussion for Washington 33 State #28 Unit O of Section 33, T17S, R28E, Eddy County, New Mexico

ARCO Permian requests administrative approval for unorthodox location for Washington 33 State #27 and #28 in the Artesia (Q-G-SA) Field, both as recompletions of wells drilled to a deeper horizon. Both wellbores are required for geologic reasons, and will be simultaneously dedicated to Unit Letter O of Section 33.

ARCO will require 2 strategically spaced wellspots in each 40-acre tract to recover reserves in the Artesia pool. Wherever possible, our well pattern dictates a wellbore in the NE quadrant and SW quadrant of each 40 acres. Recompletion of these Empire (Abo) wellbores, which are 503 ft. apart, will prevent wasteful drilling expense and provide satisfactory results, even though #27 is "off-pattern".

At a future date, we anticipate a waterflood could be initiated to effectively sweep both dolomite and sand reservoirs. Optimum results can only be achieved with good spacing of the primary wells. Core results show the Queen-Grayburg-San Andres "sand" pays should yield 130 MBO per 40 acres, but the modest 35 MBO recovered from "sand" wells on and surrounding our lease indicates that 10-20 acre drainage for these pays is reasonable.

We have therefore determined that two wells per 40 acres will effectively drain this reservoir and protect correlative rights. Where inexpensive recompletions are available, 500 ft. between wells will avoid wasteful drilling. With current technology, the drainage radius for these San Andres wells is probably 10 acres, so we do not expect to be affecting any offset owner's correlative rights with these unorthodox locations.









