



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