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October 16, 1997



NMOCD
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attn: Michael Stogner

Dear Mr. Stogner:

ARCO Permian requests administrative approval for a non-standard surface location and directional drilling for the cited 10,900' Morrow borehole, to drill a previously-approved bottomhole location for the Evelyn "35" State Com #1. Our desired BHL with 100' radius tolerance was previously approved by Order R-10781 dated March 18, 1997 for said Evelyn "35" State Com #1.

ARCO Permian desires to drill a new borehole, since we have abandoned efforts to sidetrack Evelyn "35" State Com #1 (API 30-015-29133). The sidetrack attempt was drilled to 10667' MD (approx 10441' TVD) in June. Heaving shale forced us to abandon drilling before we cut the Morrow objective. A CIBP was set at 9600' with 35' cement on June 30, 1997. A sundry notice was filed containing the above information on July 8, 1997 indicating that it was temporarily abandoned.

ARCO Permian now seeks administrative approval to drill a new directional borehole, Evelyn "35" State Com #2 from an unorthodox surface location 1459' FNL and 349' FEL of Section 35, with the approved BHL (within 100' of a point 1253 FNL and 508' FEL, as cited in R-10781) as a Penetration Point in the Morrow Sand objective at 10500' TVD. The Project area will be the North Half of Section 35, as previously approved. Since notification to offset owners was done for Order R-10781, and the BHL permit will not expire until 5/9/98, additional notification to offset operators is not required.

I have enclosed a copy of the original APD and plat for your perusal. The originals have been sent to Artesia for their consideration after all requirements for your office have been met.

Elizabeth Casbeer and I spoke with you at the NMOCD Seminar held in Midland this week and you indicated that we would have to file all documents, but that you could possibly use the previous Order and apply it to this well, also. Should you have any questions, please call me at 915-688-5532 or Bill Heard at 915-688-5957. Thank you for your assistance with this matter.

Sincerely,

Laurie Cherry
Laurie Cherry
Regulatory/Compliance Assistant

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Attachments

CC: NMOCD
ARTESIA, NM