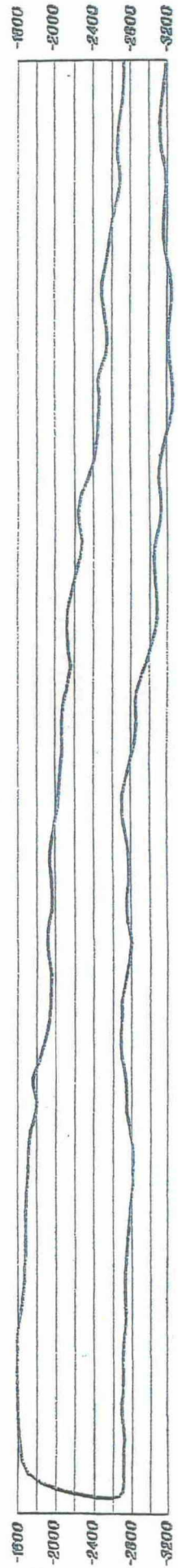
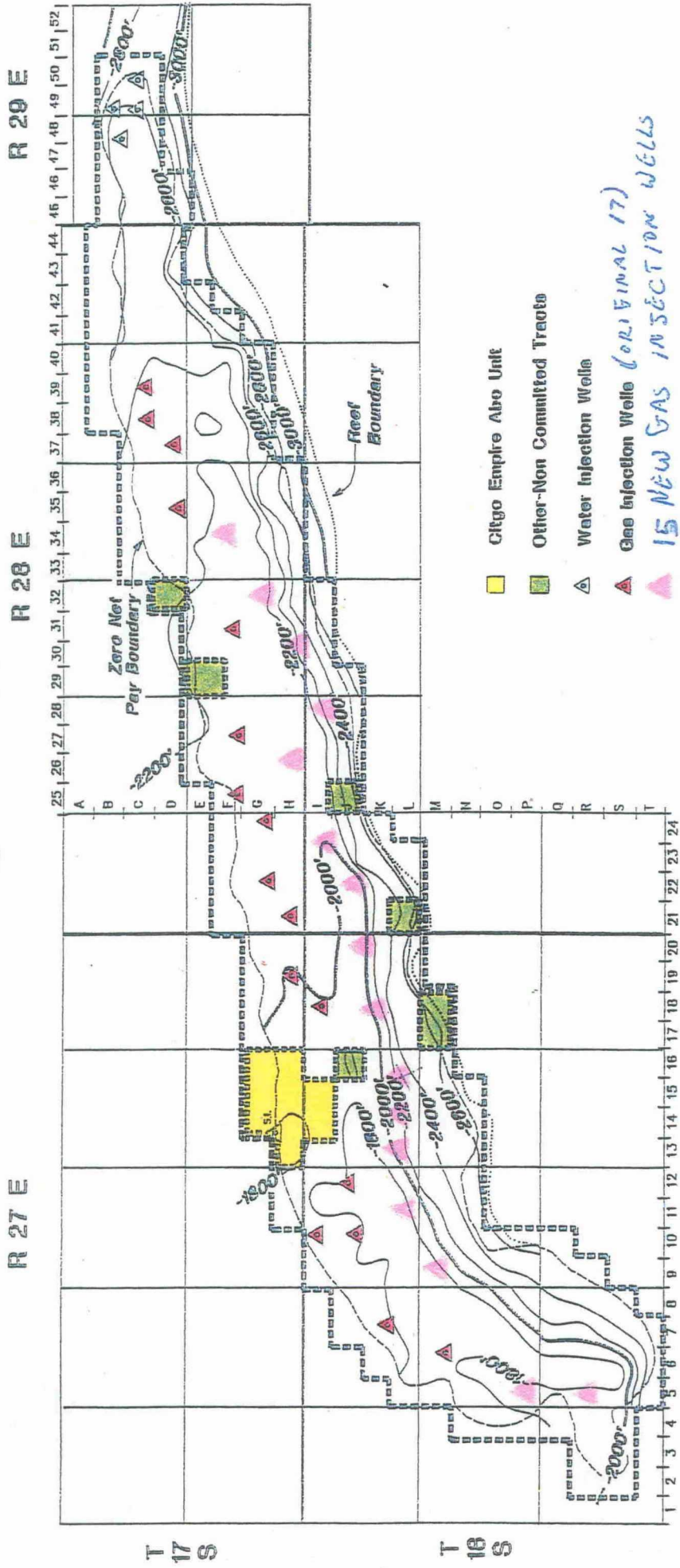


# EMPIRE ABO POOL

## Eddy County, New Mexico

### Top Of Reef



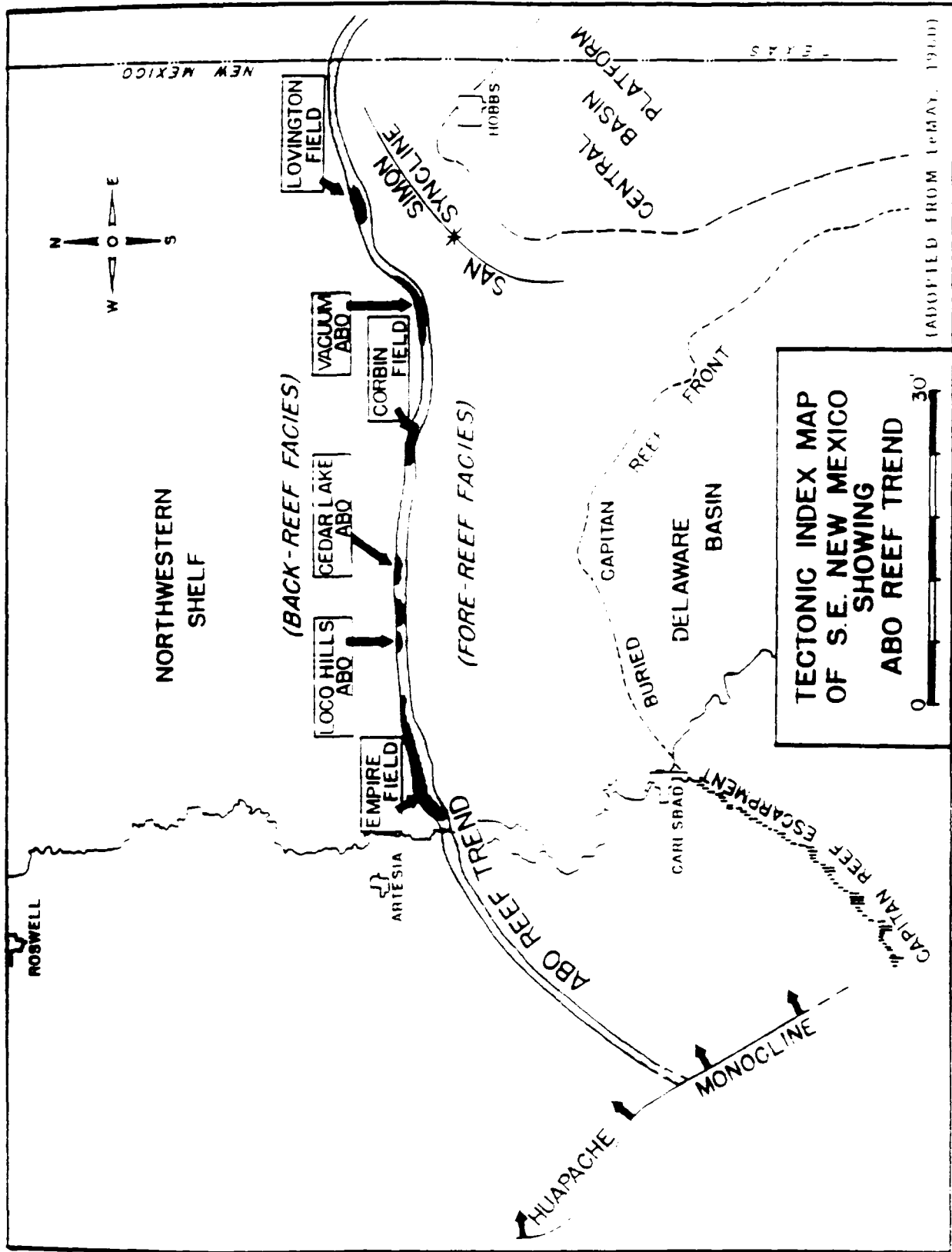
West-East Front Elevation

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 1

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994



**BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico**

Case No. 11109 Exhibit No. 2

submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994

## CORRELATION CHART SOUTHEASTERN NEW MEXICO

PERIOD	SERIES	NORTHWESTERN SHELF	MARGIN	DELAWARE BASIN
P E R M I A N	G u a d a l u p e	Tansil	Capitan Limestone	Bell Canyon
		Yates		
		Seven Rivers		
		Queen	Goat Seep Limestone	Cherry Canyon
		Grayburg		
		San Andres	San Andres	Brushy Canyon
		<del>Glorieta (surface)</del>		
	L e o n a r d	Glorieta (subsurface)	Victorio Peak	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="margin-left: 10px;">1st Sand</div> </div> <div style="display: flex; align-items: center;"> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="margin-left: 10px;">2nd Sand</div> </div> <div style="display: flex; align-items: center;"> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="width: 20px; height: 2px; border: 1px solid black; margin-bottom: 2px;"></div> <div style="margin-left: 10px;">3rd Sand</div> </div>
		Yeso — Tubb —		
		Abo	<div style="border: 2px solid black; padding: 5px; transform: rotate(-15deg); display: inline-block;"> Abo Shale Abo Reef </div>	Bone Spring
	Wolfcamp	Hueco	Wolfcamp	Wolfcamp

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 3

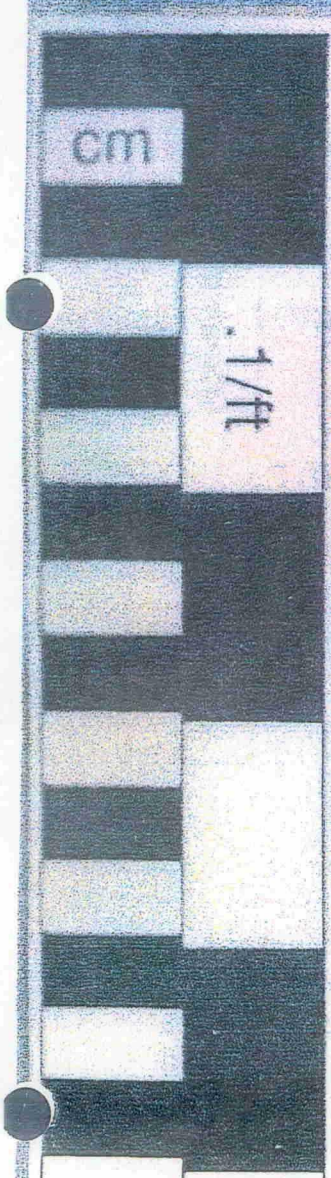
Submitted by: Arco Permian  
A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994

Correlation chart of southeastern New Mexico (Hallam, 1982, figure 6.)



**ARCO  
EMPIRE EAU  
M-131  
EDDY CO. NM.**



**6129.1**

Figure 16. Upper slope packstone/wackestone: note well developed fracture system, moldic porosity, and stylolites. Whole-core measurements: porosity - 3.4 %; K Max - 45 md; Kv - NA.



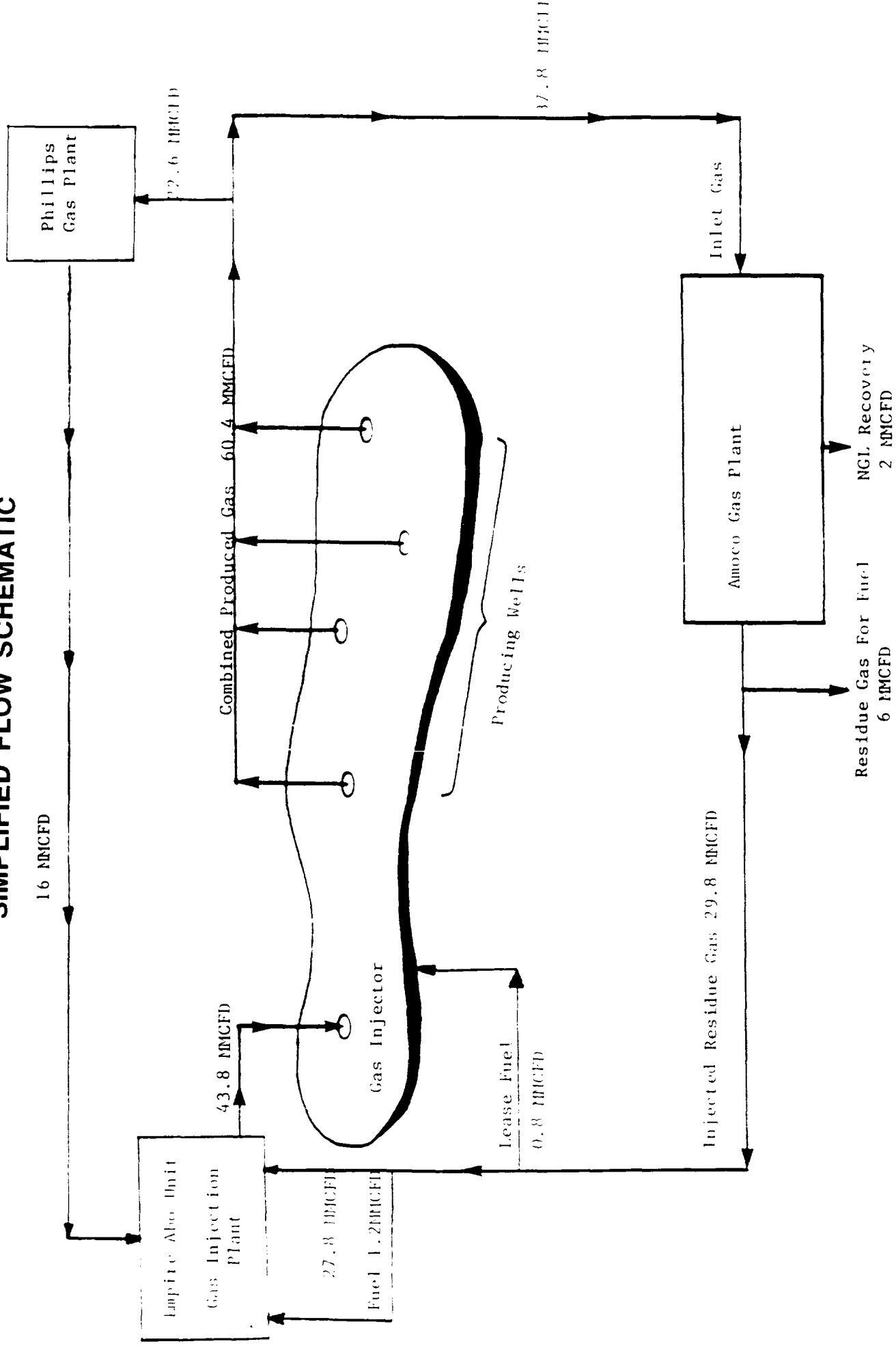
**BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico**

Case No. 11109 Exhibit No. 4

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield

Hearing Date: September 29, 1994

# EMPIRE ABO UNIT SIMPLIFIED FLOW SCHEMATIC

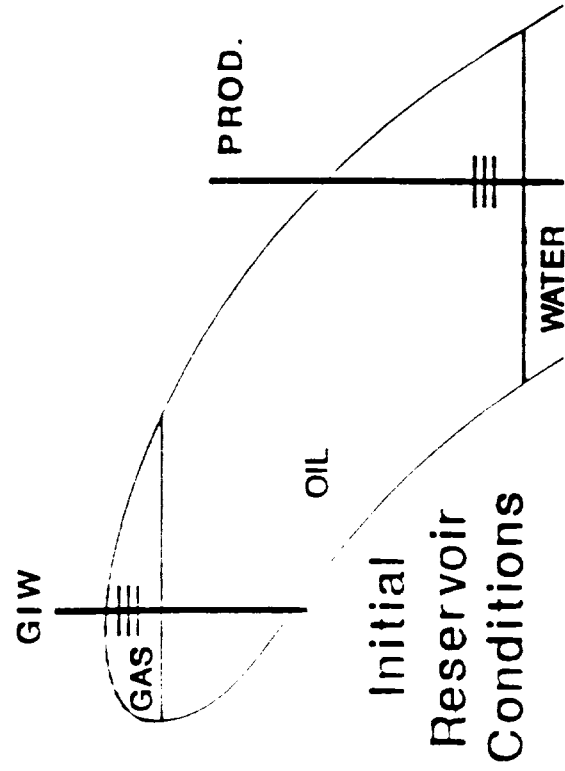




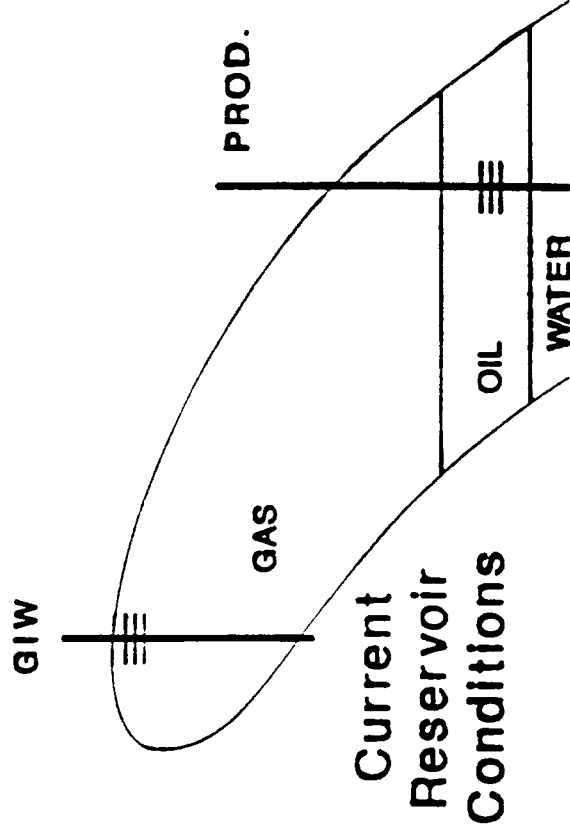
**BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico**

Case No. 11109 Exhibit No. 5

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994



Initial  
Reservoir  
Conditions



Current  
Reservoir  
Conditions

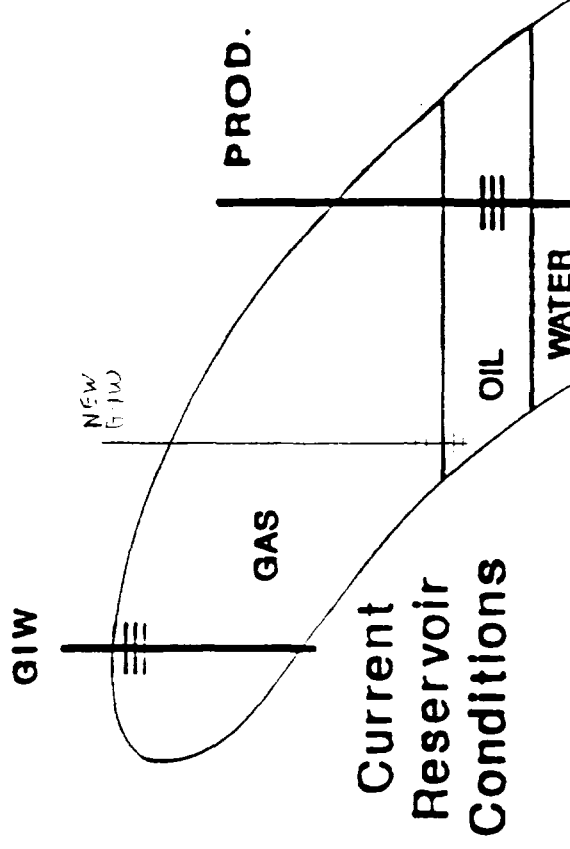
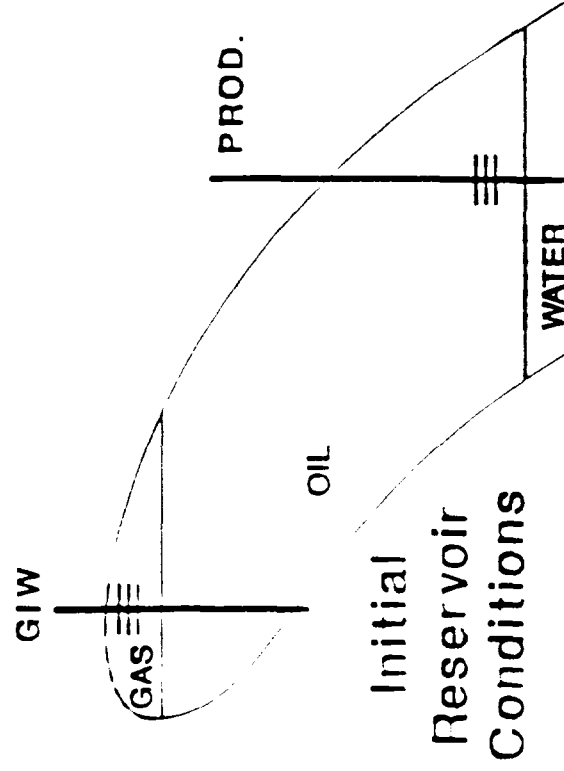
## Current Conditions

## EMPIRE ABO UNIT Reservoir Schematic

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 6

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994



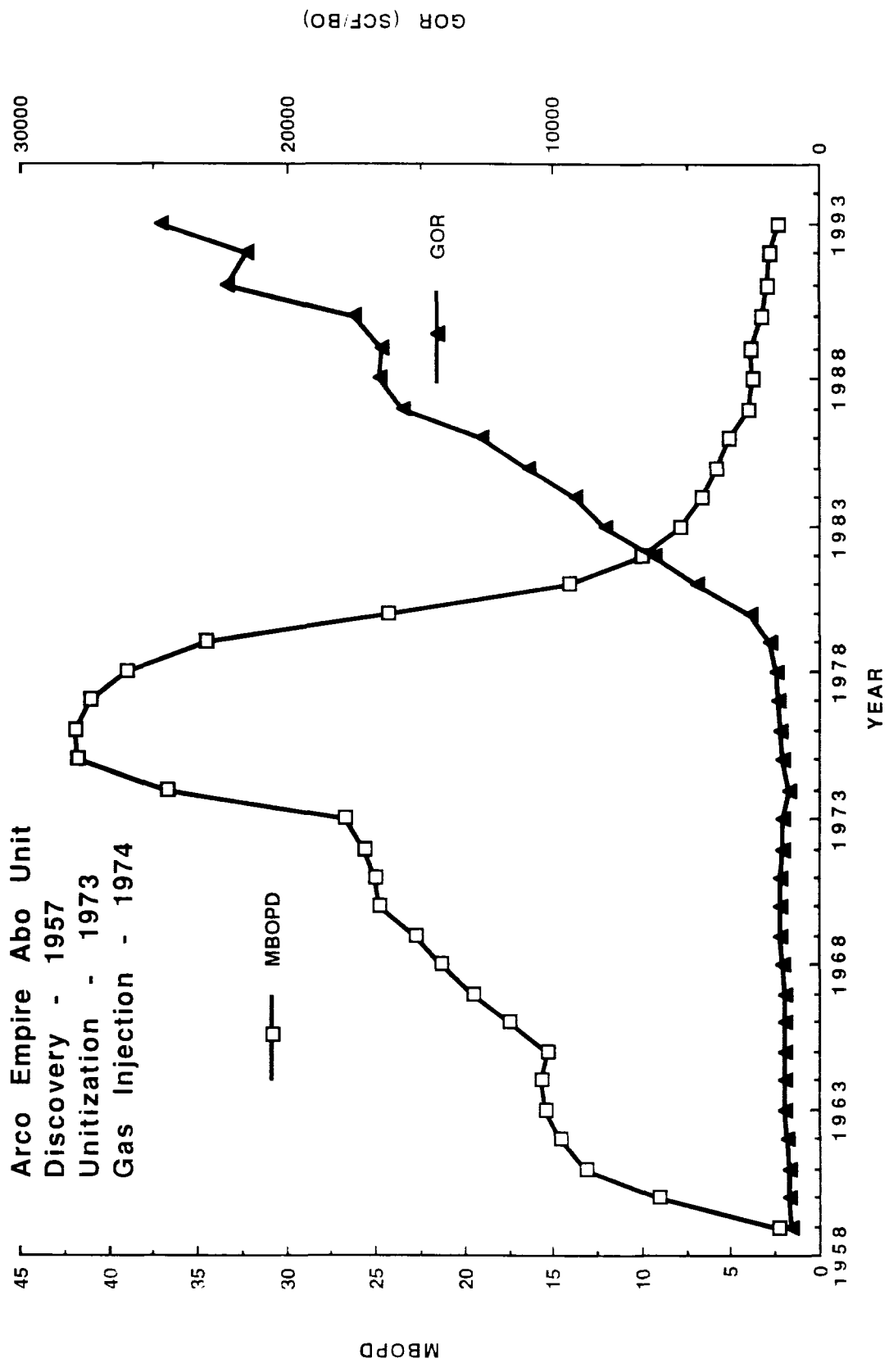
## EMPIRE ABO UNIT Reservoir Schematic

## Current Conditions

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 7

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994





**BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico**

Case No. 11109 Exhibit No. 8

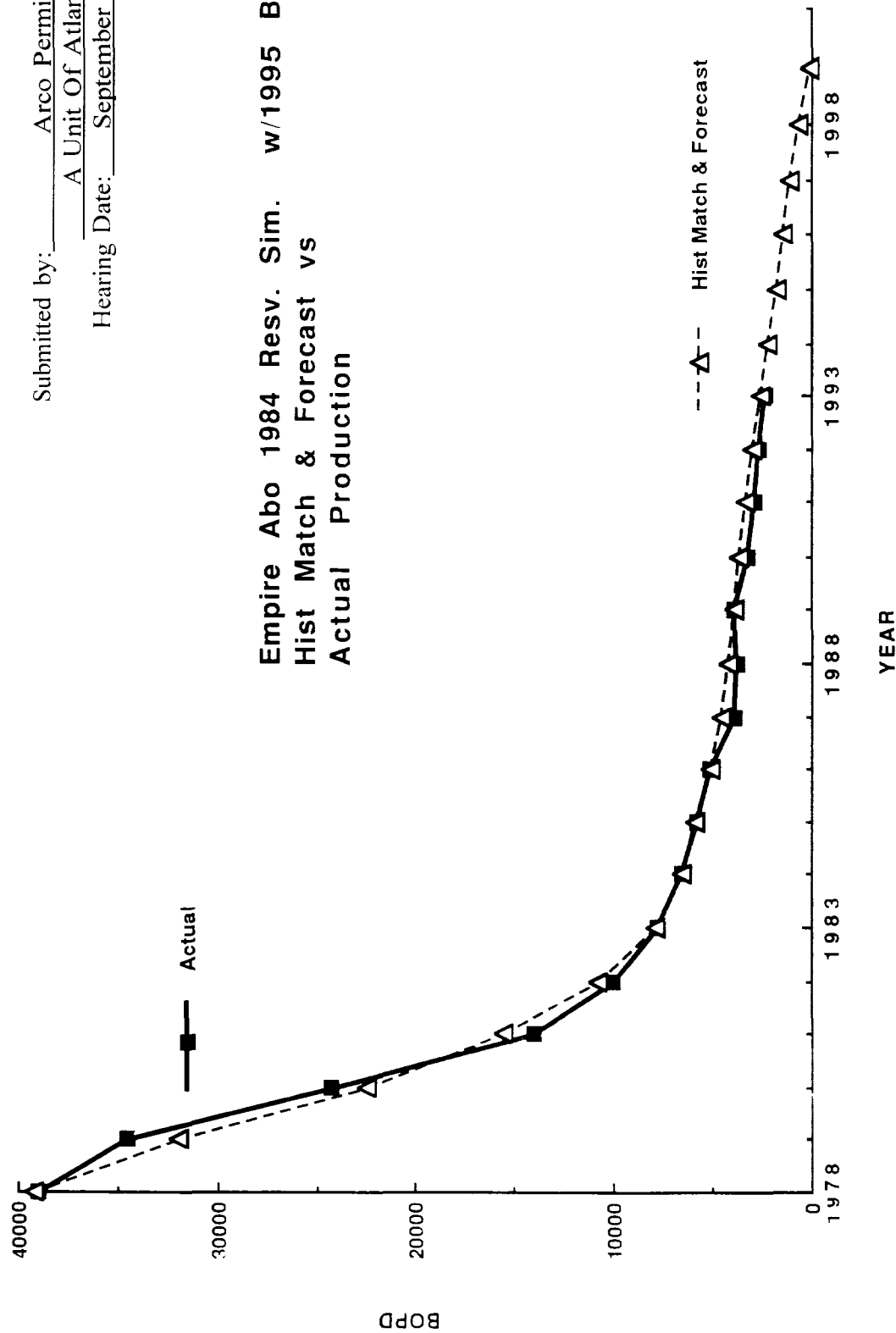
Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

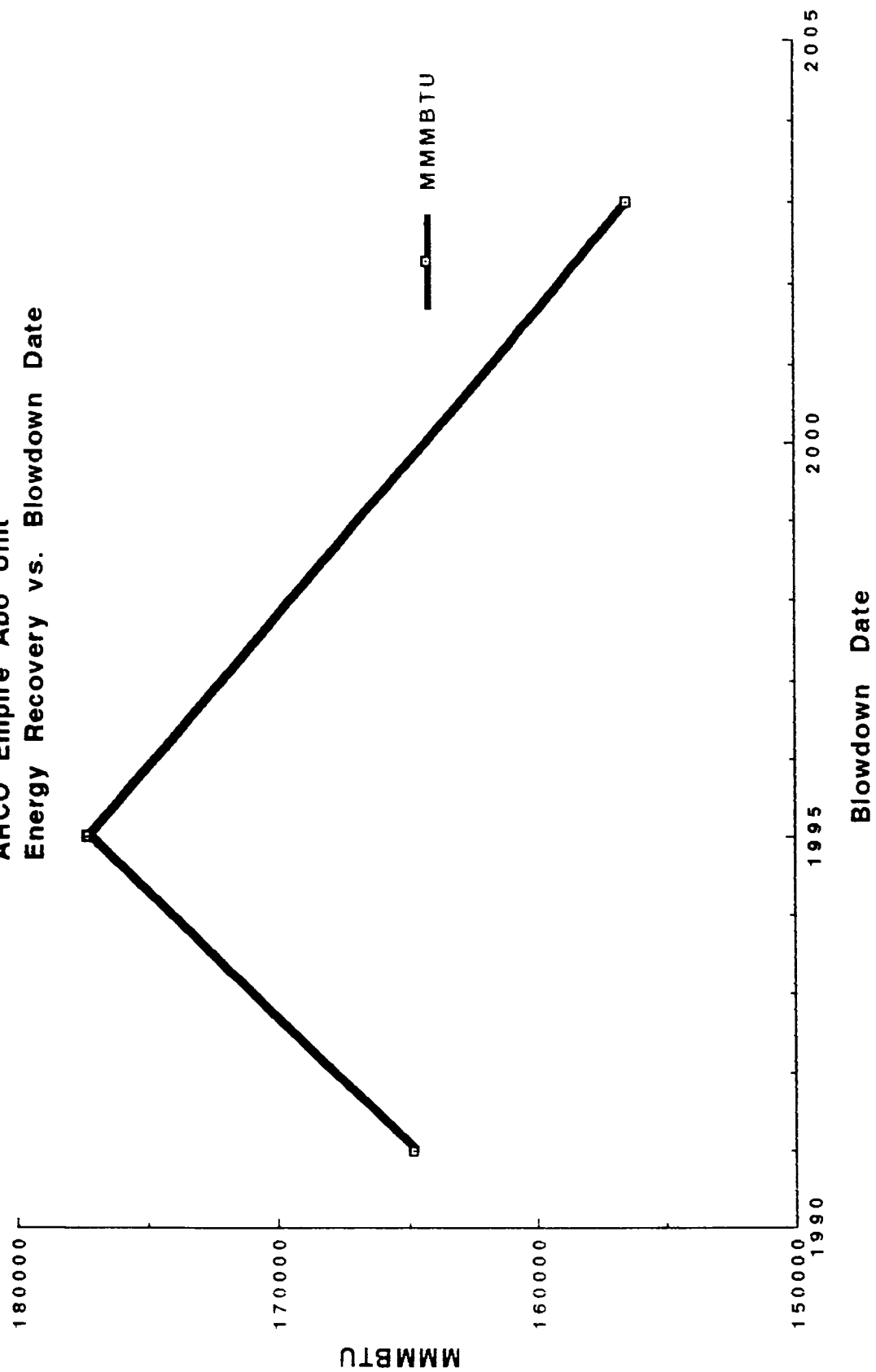
Case No. 11109 Exhibit No. 9

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994

Empire Abo 1984 Resv. Sim. w/1995 BD  
Hist Match & Forecast vs  
Actual Production



ARCO Empire Abo Unit  
Energy Recovery vs. Blowdown Date



**BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico**

Case No. 11109 Exhibit No. 10

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994



Rule 1. The project area of the ARCO Empire-Abo Unit Pressure Maintenance Project, hereinafter referred to as the Project, shall comprise the area described as follows:

**TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.**

Section 34: S/2 SE/4  
Section 36: S/2

**TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.**

Section 25: S/2, S/2 N/2  
Section 26: S/2, S/2 NE/4, SE/4 NW/4  
Section 27: S/2  
Section 31: S/2, S/2 N/2  
Section 32: S/2, NE/4, S/2 NW/4, NE/4 NW/4  
Section 33: S/2, NE/4, S/2 NW/4, NE/4 NW/4  
Section 34: All  
Section 35: N/2, N/2 S/2  
Section 36: N/2 NW/4, NE/4 NW/4

**TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.**

Section 29: S/2 NW/4, N/2 SW/4  
Section 30: SW/4, S/2 N/2, N/2 SE/4

**TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.**

Section 1: All  
Section 2: S/2, NE/4 NE/4, SW/4 NE/4, S/2 NW/4, NW/4 NW/4  
Section 3: All  
Section 4: SE/4, S/2 NE/4, S/2 SW/4, NE/4 SW/4  
Section 8: E/2 SE/4, SE/4 NE/4  
Section 9: All  
Section 10: W/2, NE/4  
Section 11: NW/4, W/2 NE/4, NE/4 NE/4  
Section 15: N/2 NW/4, SW/4 NW/4  
Section 16: N/2, SW/4, N/2 SE/4, SW/4 SE/4  
Section 17: S/2 NE/4, NE/4 NE/4, SE/4 NW/4, NE/4 SW/4, N/2 SE/4

**TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.**

Section 4:	N/2 N/2, SW/4 NW/4
Section 5:	NE/4, N/2 NW/4, SE/4 NW/4
Section 6:	N/2, N/2 S/2, SW/4 SE/4, SE/4 SW/4

Rule 2. The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut in, curtailed, or used as injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

Rule 3. That the maximum daily project allowable shall be an amount of oil which will result in monthly average associated gas production of no more than 65 MMCF per day.

For the purpose of these rules, "Available Residue Gas" shall be defined as being all gas produced from the unitized formation less plant shrinkage, plant fuel, and ~~lease fuel required for operation of the lease~~ gas sales.

Rule 4. Gas injection will include all Available Residue Gas less lease fuel ~~shall be reinjected. No raw gas nor plant residue gas attributable to the project shall be sold or otherwise disposed of by any other means.~~

In addition to the injection of Available Residue Gas, the project operator may inject up to and including 35 million cubic feet of extraneous gas per day into the Abo formation underlying the project area.

Withdrawals of said extraneous gas may be made, pending reservoir blow down, as follows:

(A) During each of the winter seasons (November 1 through March 31) of 1990 through 1996, a volume of gas not to exceed 300,000 MCF may be withdrawn, provided that the volume of extraneous gas withdrawal shall be replaced during the next succeeding summer season (April 1 through October 31) at a rate not to exceed 2,300 MCFD.

(B) During each of the winter seasons (November 1 through March 31) of 1996 through 1998, a volume of gas not to exceed 800,000 MCF may be withdrawn, provided that the volume of extraneous gas withdrawn be replaced during the next succeeding summer season (April 1 through October 31) at a rate not to exceed 5,500 MCFD.

(C) In addition to complete replacement of the volumes of extraneous gas withdrawn during the immediately preceding winter season, an additional volume of gas shall be injected during each summer season equal to 12% of the volume withdrawn

during the immediately preceding winter season to compensate the Empire Abo Unit for any fuel used, shrinkage or metering errors.

(D) No extraneous gas may be withdrawn during a winter season until all gas withdrawn during preceding winter seasons is replaced plus the additional 12% volume required by Paragraph C of this rule.

(E) The provisions of Paragraphs 4 (A) through 4 (D) shall be of no further effect on the date the Pressure Maintenance Project ceases or November 1, 1998, whichever occurs first.

The project operator shall establish and maintain an "Extraneous Gas Bank Statement" ~~which shall be filed with the Division each month concurrently with the project operators "Empire Abo Pressure Maintenance Project Monthly Report", and which~~ shall show thereon each month the volume of extraneous gas injected, the cumulative volume of such gas injected, the volume of gas withdrawn and delivered back to the supplier of extraneous gas and the net cumulative extraneous gas bank.

~~Rule 5. Allowables shall be assigned to unit wells in accordance with nominations submitted by the unit operator during the months of March, July, and November of each year. That such nominations shall accompany the Pressure Maintenance Project Operator's Report filed for that month.~~

The allowables assigned shall result in production of casinghead gas averaging not more than 65 MMCF per day for the month, provided however, that on a cumulative basis, the unit operator may carry gas overproduction of 325 MMCF. At least 70% of the produced gas will be "available residue gas" for the remainder of 1994. After 1994 the unit operator may elect to increase gas sales by decreasing the per cent (%) of produced gas required to be available residue gas. The unit operator will notify the working interest owners and gasoline plant operators in accordance with the provisions of the Empire Abo Unit Agreement.

*Section 2c stayed (change from application)*

During times of mechanical failure or operational difficulty at the unit owned and operated Empire Abo Unit Gas Injection Plant an additional allowable will exist for gas sales, based on the plants expected run time of 95%. The allowable will consist of all gas sales associated with the produced gas rate of 65 MMCPD for 5% of the year ( $365 \times 65 \times 0.05 = 1186$  MMCF). This allowable will only be used during times of mechanical failure or operational difficulty or scheduled maintenance.

That no producing well in the project area which directly or diagonally offsets a well not committed to the unit, and producing from the same common source of supply, shall receive an allowable or produce in excess of two times the top unit allowable for the pool.

~~Rule 6. Each month the project operator shall submit to the Division a Pressure Maintenance Project Operator's Report on a form prescribed by the Division. The report shall show all project wells, production of oil, gas, and water, volumes of water residue gas, and extraneous gas injected; total production of oil, gas and water, and such other data as the Division may require.~~

~~Rule 7.~~ Rule 6. The Director of the Division is hereby authorized to approve such additional producing wells and gas injection wells at orthodox and unorthodox locations within the boundaries of the ARCO Empire Abo Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 660 feet to any outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary and provided that no well shall be approved for gas or water injection when such well is located closer than 1650 feet to a tract which is not committed to the unit and on which is located a well producing from the same common source of supply. To obtain such approval, the project operator shall file proper application with the Division Director, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

(1) A plat identifying the lands committed to the unit agreement and those lands not committed to said agreement, and showing the location of the proposed well, all wells within the unit area, and offset operators.

(2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

~~Rule 7. B.~~ Rule 6. B. The Director of the Division is hereby authorized to approve the drilling of "horizontal drainholes" for the purposes of production or injection within the boundaries of the ARCO Empire Abo Unit as may be necessary to complete an efficient production and injection pattern, provided no perforated or openhole portion of said wells shall be closer than 330 feet to the outer boundary of said unit or to any tract not committed to such unit nor, in the case of a well to be used for injection closer than 1650 feet to such boundary or tract. To obtain such approval, the project operator shall file proper application with the Division Director, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:



(1) A plat identifying the lands committed to the unit agreement and those lands not committed to said agreement, and showing the location of the proposed well, all wells within the unit area, and offset operators.

(2) Schematic drawings of the proposed well which fully describes the casing, tubing, perforated or open-hole interval, kick-off point, and proposed trajectory of the drainhole section.

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

~~Rule 7. C.~~ Rule 6. C. The Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Director may grant immediate approval, provided waivers of objection are received from all offset operators.

~~Rule 7. D.~~ Rule 6. D. Within 20 days following completion of any horizontal drainhole the operator shall submit a report to the Division Director with sufficient detail to locate the kick-off point and the trajectory of the deviated portion of the well bore with respect to any quarter-quarter section(s) penetrated by such well and any 40-acre tract directly or diagonally offsetting such quarter-quarter section (s).

The Director may approve the final location of the horizontal drainhole by acceptance of such report.

The Director may rescind the authority for any horizontal drainhole if the perforated or openhole portion of such hole is located closer to the unit boundary or any uncommitted tract than permitted by these rules or if it should appear that such rescission is necessary to prevent waste or protect correlative rights.

~~Rule 8.~~ Rule 7. Expansion or contraction of the project area may be approved by the Director of the Division administratively when good cause is shown therefor.

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 11

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

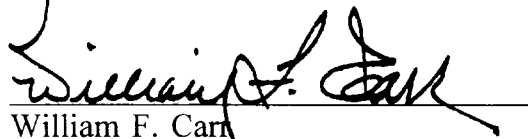
IN THE MATTER OF THE APPLICATION  
OF ARCO PERMIAN, A UNIT OF  
ATLANTIC RICHFIELD, FOR AMENDMENT  
OF THE SPECIAL RULES AND REGULATIONS  
FOR THE EMPIRE-ABO PRESSURE  
MAINTENANCE PROJECT TO PERMIT  
PARTIAL GAS SALES,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11109

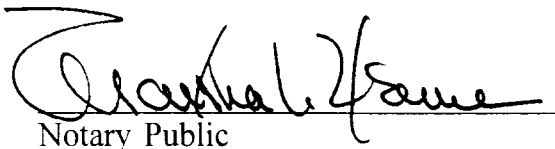
AFFIDAVIT

STATE OF NEW MEXICO                    )  
  ) ss.  
COUNTY OF SANTA FE                    )

William F. Carr, attorney in fact and authorized representative of Arco Permian, a Unit of Atlantic Richfield, the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto as provided in Rule 1207.

  
William F. Carr

SUBSCRIBED AND SWORN to before me this 28th day of September, 1994.

  
Notary Public

My Commission Expires:

August 19, 1995

Aho Petroleum Company  
331 W. Main St., Ste A  
Artesia NM 88210

Burnett Oil Co., Inc.  
c/o Petroleum Financial, Inc.  
1025 Fort Worth Club Bldg.  
306 West 7th Street  
Fort Worth TX 76102

Frederick L. Dunn, Jr.  
100 Expressway Tower  
2431 E. 51st St.  
Tulsa OK 74105

Amoco Production Company  
Attn: Jack Ervin - Joint Interest  
P.O. Box 3092  
Houston, TX 77253-3092

Cheedle and Elizabeth Caviness  
7505 Derickson Avenue, NE  
Albuquerque NM 87109

Frederick L. Dunn III  
1746 E. 31st  
Tulsa OK 74105

Lincoln Aston  
3100-C Front St.  
San Diego CA 92103

Chevron U.S.A. Inc.  
Attn: NOJV Manager  
P.O. Box 1635  
Houston TX 77251

Margaret Lindsay Dunn De Romo  
1618 East 30th Place  
Tulsa OK 74105

Roger Aston  
P.O. Box 1090  
Roswell NM 88201

Cibola Energy Corporation  
P.O. Box 1668  
Albuquerque NM 87103

Exxon Company, USA #A08271  
Attn: Joint Interest Manager  
P.O. Box 1700  
Midland TX 79702-1700

Estate of Bert Aston (C Trust)  
c/o NCNB Texas, Trust Oil & Gas  
P.O. Box 830308  
Dallas TX 75283-0308

Tracy P. Clark  
5609 ECR 120  
Midland TX 79706

Texas Commerce Bank-Midland,  
N.A. and Celeste Fasken, Co-Ind.  
Execs. and Co-Trustees, U/W/O  
Murray Fasken, Acct. 01-1816-00  
P.O. Box 10966  
Midland TX 79702-0966

Boling Family Trust, Robt E. &  
Robt. M. Boling, Co-Trustees  
305 South 5th Street  
Artesia NM 88210

Conoco Inc.  
Attn: New Mexico JIBS  
10 Desta Drive West, Suite 100W  
Midland TX 79705

Fina Oil & Chemical Company  
6 Desta Drive, Suite 4400  
Midland TX 79705

Robert E. Boling Family Trust, Robt.  
E. & Robt. M. Boling, Co-Trustees  
305 South 5th Street  
Artesia NM 88210

Louis Dreyfus Natural Gas Corp.  
14000 Quail Springs Parkway  
Suite 600  
Oklahoma City, OK 73134-2600

W. D. Flynn Estate No. 4285-17  
Continental Bank, N.A.  
P.O. Box 2081  
Chicago, Illinois 60690  
Attn: Jan Yarnell

Mary Boling  
P.O. Box 768  
Artesia, NM 88211

James I. Deloache  
600 One Preston Sq.  
8222 Douglas Avenue  
Dallas TX 75225

Thomas W. Flynn  
824 Symphony Isles Blvd.  
Ruskin FL 33572-2744

John S. Brown, Jr.  
418 Meadows Bldg.  
Dallas TX 75206

Devon Energy Corporation  
Attn: Ken Gray  
20 N. Broadway, Suite 1500  
Oklahoma City OK 73012-8260

K. L. Fouch  
P.O. Box 68  
Childress TX 79201

John S. Brown  
418 Meadows Bldg.  
Dallas TX 75206

Charles Burnett Dunn  
2836 East 38th Street  
Tulsa OK 74105

Walter Granberry  
3801-B 24th St.  
Lubbock TX 79410-1813

Evans H. Dunn  
3414 East 64th St.  
Tulsa OK 74136-1445



The Regents of the Univer. of NM  
Carl A. Hatch, Professorship of Law  
& Public Administration Fund  
251 Scholes Hall, University, NE  
Albuquerque NM 87131

J.E Miller Est #9674-00-01  
National Bank Dallas  
Trust Oil & Gas, 17 Plaza  
P.O. Box 830308  
Dallas, TX 75283-0308

Margaret Ruth Sheldon  
P.O. Box 404  
Kingsland TX 78639

Margaret Holcomb  
1522 Michigan Avenue  
Alamogordo NM 88310

J. Hiram Moore  
310 W. Wall, Suite 404  
Midland TX 79701

Southland Royalty Company  
P.O. Box 51810  
Midland TX 79710-1810

Beth Joanne Johnson  
c/o Rutter & Wilbanks  
P.O. Box 3186  
Midland TX 79701

John D. Phillips, Trustee for  
Eugene E. Nearburg  
c/o Keleher & McCleod, P.A.  
P.O. Drawer AA  
Albuquerque NM 87103

Mary Ann Curtis, Trustee  
M. A. Curtis Family Trust  
1504 Bedford Drive  
Oklahoma City OK 73116

Harold Kersey  
c/o Kersey & Company  
P.O. Box 316  
Artesia NM 88210

Sharon Aston Olsen  
P.O.Box 7296  
Laguna Niguel CA 92677

Ed A. Volger  
300 West Texas, Suite 820  
Midland TX 79701

Carolyn K. Lisle, Trustee of C. K.  
Lisle 1990 Revocable Trust  
2540 Warwick Dr.  
Oklahoma City OK 73116-4324

Arthur L. Owen  
Lock Box 52  
3811 Turtle Creek Blvd., Ste 1700  
Dallas TX 75219-4419

Wadi Petroleum, Inc.  
14405 Walters Road, Suite 400  
Houston TX 77014

Marathon Oil Company  
Attn: Financial Accting Supervisor  
P.O. Box 552  
Midland TX 79702

John Douglas Pappas  
5110 Bromley  
Corpus Christi, TX 78413

Mr. Bud F. Walker  
2304 Calle De Panza NW  
Albuquerque NM 87104

Dorothy Marcum  
4201 Spring Branch Drive  
Fort Worth TX 76116

L. J. Reischman  
P.O. Box 2527  
Roswell NM 88202

Ann V. B. Windfohr Trust  
Burnett Oil Co., Inc.  
801 Cherry St., Suite 1500  
Fort Worth TX 76102

Delton Marcum  
3115 Stanolind  
Midland TX 79705

Rutter & Wilbanks Corp.  
P.O. Box 3186  
Midland TX 79701

Harvey E. Yates, Individually and as  
Harvey E. Yates Company  
P.O. Box 1933  
Roswell NM 88202-1933

Gordon Marcum, Individually and  
for the Estate of Bessie Marcum  
2601 Lockheed  
Midland TX 79701

Samedan Oil Corporation  
12600 Northborough, Suite 250  
Houston TX 77067

Robert H. Ziegler, Jr.  
P.O. Box 8621  
Ketchikan AK 99901

Judith A. Menzel Gilchrist  
1000 Cotton Bowl  
Taylor TX 76574

Estate of Nelle G. Scheurich  
Carlsbad Nat'l Bank, Trust Dept  
P.O. Box 1359  
Carlsbad NM 88220

Charles Aston  
Sunwest Bank of Albuquerque,  
Agent for the Aston Partnership  
P.O. Box 26900  
Albuquerque NM 87125-6900

Thelma Kersey Methvin Trust  
P.O. Box 252  
Alamogordo NM 88310

Marla Jo Schmid  
5205 Raincreek Parkway  
Austin TX 78759

Yates Petroleum Corporation, et al  
105 South Fourth Street  
Yates Building  
Artesia NM 88210

Carla Leet -- ASSAF  
6146 Reamer St.  
Houston TX 77074-7548

Jean Coleman Trust, 1st Nat'l  
P.O. Drawer AA  
Artesia NM 88211-0716

Chase Oil Corp.  
P.O. Box 276  
Artesia, NM 88211-0276

Harriet Hatch Trapani  
80 Kirkland St.  
Cambridge MA 02138

Joseph J. Solt  
R403 N. 13th  
Artesia NM 88210

Ms. Mary D. Duggan  
Suite 12G  
15 Greenway Plaza  
Houston TX 77046

Carl F. Hatch  
1616 South Monroe  
San Angelo TX 76901

Marianne Solt Lewis  
1609 Northgate  
Artesia NM 88210

New First City, Texas-Midland,  
Trustee, Account No. 30-182500  
P.O. Box 10966  
Midland TX 79702-0966

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Graham TX 76450

Seven Oil LTD  
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Texas American Oil Corporation  
Interfirst Bank Dallas  
Dept 0769  
Dallas, TX 75284-0769

Phillips Petroleum  
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DURHAM INC.  
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September 6, 1994

**TO ALL OPERATORS IN THE EMPIRE-ABO PRESSURE MAINTENANCE PROJECT  
AREA, ALL OPERATORS WITHIN ONE MILE THEREOF AND TO ALL UNLEASED  
MINERAL OWNERS IN THE EMPIRE-ABO PRESSURE MAINTENANCE PROJECT  
AREA**

Re: Application of ARCO Permian, A Unit of Atlantic Richfield, for Amendment of  
the Special Rules and Regulations for the Empire-Abo Pressure Maintenance  
Project to Permit Partial Gas Sales, Eddy County, New Mexico

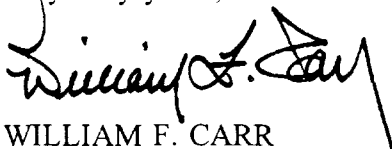
Gentlemen:

This letter is to advise you that ARCO Permian, A Unit of Atlantic Richfield has filed the enclosed application with the New Mexico Oil Conservation Division seeking Amendment of the Special Rules and Regulations for the Empire-Abo Pressure Maintenance Project to permit partial gas sales and corresponding changes in the reporting requirements for project operations. The Empire-Abo Pressure Maintenance Project is located in Townships 17 and 18 South, Ranges 27, 28 and 29 East.

This application has been set for hearing before a Division Examiner on September 29, 1994. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR ARCO PERMIAN, A UNIT OF ATLANTIC RICHFIELD  
WFC:mlh  
Enclosure

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11109 Exhibit No. 12

Submitted by: Arco Permian  
A Unit Of Atlantic Richfield  
Hearing Date: September 29, 1994