

February 22, 2006

Ms Gail MacQuesten New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Agreed Compliance Order

Dear Ms MacQuesten:

Please find attached Arch Petroleum Inc.'s list of noncompliant wells and the operations that have been done to bring these wells back into compliance. According to our records the Bertie Whitmire #9 well (30-025-20686) is the only well left on the noncompliant list. This well will be returned to production, or TA status will be requested before the April 30, 2006 deadline.

If you have any questions, please feel free to call. My number is (432)685-8100.

Sincerely,

Cathy Wright

Sr. Engineering Tech

Cathy Whight

cc:

Donna Mull OCD Hobbs Office/

Attachment

Arch Petroleum Inc. Noncompliant Well List

	Well Name	API Number	Status
_	J F Janda NCT E #4	3002524246	P&A'd 11/03/05
2	Mattern #2	3002523535	Plugging back to the Penrose Skelly Grayburg. Should be on production March 1, 2006
က	May A #1	3002510823	P&A'd 01/31/06
4	May A #2	3002510824	P&A'd 11/18/05
5	A L Christmas NCT A #10	3002531124	P&A'd 11/14/05
9	Arnott Ramsey NCT E #11	3002527428	P&A'd 07/11/05
7	Bertie Whitmire #2	3002506012	TA status approved until 3/10/10
8	Bertie Whitmire #3	3002506013	TA status approved until 3/10/10
6	Bertie Whitmire #9	3002520686	
10	C E Lamunyon #24	3002522415	Recompleted to Langlie Mattix 7 Rvrs Q Grayburg 4/05
11	C E Lamunyon #43	3002522838	P&A'd 04/16/05
12	E C Hill A #4	3002522909	TA status approved until 3/10/10
13	Higgins #2	3002512147	TA status approved until 3/10/10

