

November 9, 1999

**Arch Petroleum Inc.
P. O. Box 10340
Midland, Texas 79702**

Attention: Garland H. Lange III

Administrative Order NSP-352-B

Dear Ms. Lange:

Reference is made to the following: (i) your application dated October 13, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Arch Petroleum Inc.'s ("Arch") request to reactivate a previously approved 80.08-acre non-standard gas spacing and proration unit in the Blinebry Oil and Gas Pool ("GPU") comprising the following acreage and to exchange the well dedication of this GPU:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: Lots 1 and 2 (N/2 NE/4 equivalent).

This GPU was approved by and the subject to: (i) Division Administrative Order NSP-352, dated February 22, 1957; (ii) Division Administrative Order NSP-352-A (L) dated April 4, 1995; and (iii) a reconfirmation order by letter dated December 26, 1996. This GPU, from its inception, has been dedicated to Arch's Lee Stubbins (NCT-B) Well No. 3 (**API No. 30-025-10061**), located at an unorthodox gas well location 660 feet from the North line and 460 feet from the East line (Unit A) of Section 5. It is our understanding that the above-described Lee Stubbins (NCT-B) Well No. 3 is temporarily abandoned and that Arch Petroleum Inc. is planning to recomplete its existing Lee Stubbins (NCT-B) Well No. 4 (**API No. 30-025-10062**), located at a standard gas well location for this GPU 660 feet from the North line and 1780 feet from the East line (Lot 2/Unit B) of Section 5 from the Drinkard Pool to the Blinebry formation.

By authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool*," as promulgated by Division Order No. R-8170, as amended, the above-described 80.08-acre GPU to be dedicated to Arch's above-described Lee Stubbins (NCT-B) Well No. 4 is hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of the pool rules based upon a unit size of 80.08 acres.

It is further ordered that Division Administrative Orders NSP-352 and NSP-352-A (L) shall be placed in abeyance until further notice.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Hobbs
File: NSP-352
NSP-352-A (L)