

New Mexico Oil Conservation Division Attn: Mr. David Catanach 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Teague Prospect Lea County, New Mexico Application for Administrative Approval for Downhole Commingling C. E. Lamunyon #34 1980' FNL & 460' FWL Section 27, T23S, R37E

Gentlemen:

March 9, 2004

Arch Petroleum Inc. hereby respectfully submits Form C-107A (in duplicate), along with attachments thereto, in connection with Arch's request for Administrative Approval to downhole commingle production from the captioned well. A copy of this application, along with all attachments thereto, has been sent to the New Mexico Oil Conservation Division's District Supervisor in Hobbs, New Mexico, and the Bureau of Land Management.

Should you have any questions regarding this matter, please contract Mr. Mark Kelley in this office at (432) 685-8100.

Sincerely,

ARCH PETROLEUM INC.

Tom R. Land Consulting Landman

Enclosures

DHC-3256 4/6/04 pwvJ04097656

District I

1625 N. French Drive, Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210

District III

-ad, Aztec, NM 87410 0 Rio Brazos R

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised June 10, 2003

Oil Conservation Division

APPLICATION FOR DOWNHOLE COMMINGLING

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE Single Well Establish Pre-Approved Pools EXISTING WELLBORE <u>X</u> Yes No

Arch	Petroleum	Inc.

P. O. Box 10340, Midland, TX 79702-7340

Operator C. E. Lamunyon	34	Address E/27/T23S/R37E	Lea	
Lease	Well No.	Unit Letter-Section-Township-Range	County	

OGRID No. 000962 Property Code 014898 API No. 30-025-22523 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Teague Paddock Blinebry		Imperial Tubb Drinkard
Pool Code	58300		33600 -
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5350-5847		6062-6084
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	1443		1778
Oil Gravity or Gas BTU (Degree API or Gas BTU)	41.7		41.7
Producing, Shut-In or New Zone	SI		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 09/23/03 Rates: 6 BO, 1 BW, 46 MCF	Date: Rates:	Date: 11/25/03 Rates: 19 BO, 43 BW, 22 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 24 % 68 %	Oil Gas % %	Oil Gas 76 % 32 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes <u>X</u> Yes	No No
Are all produced fluids from all commingled zones compatible with each other?	Yes_X	No
Will commingling decrease the value of production?	Yes	No <u>X</u>
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes <u>X</u>	No
NMOCD Reference Case No. applicable to this well:		

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE application	TITLE Sr. Operation Tech	DATE 03/08/04
TYPE OR PRINT NAME Cathy Wright	TELEPHONE NO. (432) 685-8100

E-MAIL ADDRESS tomberli@pogoproducing.com

District I 1625 N. French I District II	Dr., Hobbs, l	IM 88240	Ene	State of New Mexico Energy, Minerals & Natural Resources Department						Form C-102 August 15, 2000	
811 South First, District III 1000 Rio Brazos District IV	Rd., Aztec, 1	VM 87410		OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505					Submit to Appropriate District Offic State Lease - 4 Copie Fee Lease - 3 Copie		
2040 South Pach	eco, Santa Fe		ELL LOO	CATION	I AND ACR	EAGE DEDIC	ATION PL	at [] AMEI	NDED REPORT	
	API Numbe		T	¹ Pool Code			³ Pool Na				
30-02	5-22523		583	00		Feague Paddoo	k Blinebr				
⁴ Property					⁵ Property 1			<u></u>	· W	/ell Number	
01489	8	Ca.E.	Lamuny	on						34	
'OGRID	No.				* Operator	Name		* Elevation			
00096	2	Arch F	Petrole	um Inc.				3288			
				1	¹⁰ Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County	
E	27	235	37.E		1980	North	460	West		Lea	
.			¹¹ Bot	tom Hole	e Location If	Different From	n Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	County	
¹² Dedicated Acr 40	es J ¹¹ Joint o	r Infill ¹⁴ Co	onsolidation C	Zode ¹⁵ Ord	ier No.	I		I	1		
NO ALLOW	ABLE W					UNTIL ALL INT			CONSOL	IDATED OR A	
16 A							8			IFICATION	
i							I hereby cert	fy that the inj	formation con	tained herein is true	

		I hereby certify that the information contained herein is true
		and complete to the best of my knowledge and belief.
- 1086.		Cally Ullift
19(Cathy Wright
	 	 Printed Name
		Sr. Operation Tech
		Title
460 ¹ °		02/12/04
		Date
		¹⁸ SURVEYOR CERTIFICATION
		I hereby certify that the well location shown on this plat was
		plotted from field notes of actual surveys made by me or under
		my supervision, and that the same is true and correct to the
		best of my belief.
	 · · · · · · · · · · · · · · · · · · ·	 Date of Survey
		Signature and Seal of Professional Surveyor:
		Certificate Number

Lasinci I
1625 N. French Dr., Hobbs, NM 88240
District II
\$11 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

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Form C-102 Revised August 15, 2000

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		WE	ELL LOC	ATION	I AND ACR	EAGE DEDIC	ATION PLA	<u>۲۱</u>			
1	API Numbe	r	1	¹ Pool Code			³ Pool Na	ne		<u></u>	
30-025	-22523		33600 Imperial Tubb Drinkard								
* Property (Code				⁴ Property N				•w	eli Number	r
014898	3'	C⊊ E.	Lamunyo	on -						_34	
'OGRID	No.	•		······	Operator N	łame				Elevation	
000962	2	Arch P	etroleu	m Inc.					3288		
					¹⁰ Surface I	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	West line		County
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¹² Dedicated Acre	s ¹³ Joint o	r Infill " Co	nsolidation C	ode ¹⁴ Or	der No.			<u> </u>			
40				1							
L		ł		<u>_</u>							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

0'>		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Siemature
1980'	 	 Cathy Wright Printed Name
460'0		Sr. Operation Tech Tide 02/12/04
		Date:
		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was platted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
		Date of Survey Signature and Seal of Professional Surveyor:
		Certificate Number



