



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 31, 1996

Arch Petroleum, Inc.
10 Desta Drive - Suite 420
Midland, Texas 79705
Attention: Chris N. Bezner

Administrative Order NSL-3674(SD)

Dear Mr. Bezner:

Reference is made to your application dated May 29, 1996, for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 (Unit C) of Section 28, Township 23 South, Range 37 East, NMPM, Teague-Blinebry Pool, Lea County, New Mexico. Said 40-acre unit is currently dedicated to the C. E. Lamunyon Well No. 32 (API No. 30-025-22472) located at a standard oil well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 28.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location in said Section 28 is hereby approved:

C. E. Lamunyon Federal Well No. 61
1216' FNL - 2620' FWL (Unit C)

Further, both the C. E. Lamunyon Federal Well Nos. 32 and 61 are to be dedicated to the subject 40-acre tract.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over a large, stylized flourish.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad