



Arch Petroleum Inc.

March 28, 1990

State of New Mexico
Energy and Minerals Department
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. David R. Catanach

Re: Downhole Commingling

Dear David:

Pursuant to our telephone conversation of March 26, 1990 concerning downhole commingling of two productive zones in a new well, I am requesting administrative approval for Exception to Rule 303-A which would permit same.

The required information for this request follows:

- (a) Name of Operator: Arch Petroleum Inc.
777 Taylor Street, Suite II-A
Ft. Worth, Texas 76102
- (b) Lease Name & No.: E.C. Hill "D" Federal No. 6
Location: Unit I, Section 34, T23S, R37E
Lea County, New Mexico
Pools to be Commingled: Teague Devonian, South Teague Abo
- (c) See attached plat for acreage dedication and offset lease ownership, Exhibit C.
- (d) See attached well completion history, Exhibit D.
- (e) See attached prognostication of future production from each zone, Exhibit E.
- (f) See attached bottom hole pressure tests, Exhibit F.
- (g) See attached fluid analysis for oil and water swabbed from Devonian, Exhibit G.
See attached gas analysis for gas flowing from Abo. (Zone does not produce fluids - have not recovered load as yet.) Exhibit H.
- (h) Commingled production values will not be less than the sum of the values of the individual streams. These zones are already permitted for surface commingling and are in a common tank battery by commingling order PC-764.