



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

April 30, 1997

Arch Petroleum, Inc.
10 Desta Drive - Suite 420
Midland, Texas 79705
Attention: Bobbie Brooks

Administrative Order NSL-3794(SD)

Dear Ms. Brooks:

Reference is made to your application dated March 21, 1997, for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 (Unit O) of Section 28, Township 23 South, Range 37 East, NMPM, Teague-Paddock Blinebry Pool, Lea County, New Mexico. Said 40-acre unit is currently dedicated to the M. K. Stewart Well No. 3 (API No. 30-025-22489) located at a standard oil well location 660 feet from the South line and 1980 feet from the East line (Unit O) 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:

M. K. Stewart Well No. 10
330' FSL - 1340' FEL (Unit O)

Further, both the M. K. Stewart Well Nos. 3 and 10 are to be dedicated to the subject 40-acre tract.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

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