

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☒ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A]** ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B]** ☒ Offset Operators, Leaseholders or Surface Owner
- [C]** ☐ Application is One Which Requires Published Legal Notice
- [D]** ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]** ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]** ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

 Print or Type Name

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com

 e-mail Address

2004 JUN 25 AM 7 58

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

June 25, 2004

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Order No. R-8170-P, Arch Petroleum Inc. applies for a 160 acre non-standard gas spacing and proration unit in the Jalmat Gas Pool for the following acreage:

<u>Well:</u>	C.E. LaMunyon Fed. Well No. 23
<u>Location:</u>	660 feet FNL & 1980 feet FEL
<u>Well Unit:</u>	NE¼ §28, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico

The special rules for the Jalmat Gas Pool establish 640 acre spacing, with a provision for 160 acre units, and wells to be no closer than 660 feet to the outer boundary of the well unit.

Attached as Exhibit A is a Form C-102 for the No. 23 well. The well was drilled to and completed in the Teague Paddock-Blinbry Pool (spaced on 40 acres) in 1968. See Exhibit B. It has now been completed in the Jalmat Gas Pool, but is shut-in.

The Yates-Seven Rivers reservoir grades from a porous dolomitic sand downdip to a dolomite updip on the Teague Anticline. Porosity ranges from 8-12% in Section 28, while wells 2-3 miles to the west have much thicker dolomitic sand with 15-20% porosity. There is a direct relationship between porosity and permeability in the reservoir. As a result, Jalmat wells on the Teague structure will not effectively drain 160 acres. Attached as supporting data are the following:

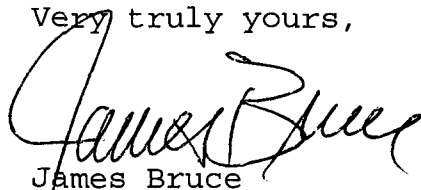
Exhibit C: Production map, showing that all Jalmat production is west of the No. 23 well.

Exhibit D: Yates structure map.
Exhibit E: Scout ticket for the Johnson Well No. 3 in the
SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 20.
Exhibit F: Well test reports from the C.E. Lamunyon Fed.
Well Nos. 23, 32, and 78 in Section 28.

Exhibit G is a land plat. Pursuant to Order No. R-8170-P, all offsets operators, working interest owners, and/o royalty owners have been notified of this application. A copy of the notice letter is attached hereto as Exhibit H.

Please call me if you need anything further regarding this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Arch Petroleum Inc.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
611 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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-22402		Pool Code 33820/37240		Pool Name Jalmat/Langlie Mattix	
Property Code 014898		Property Name C. E. Lamunyon			Well Number 23
OGRID No. 000962		Operator Name Arch Petroleum Inc.			Elevation 3299'

¹⁰ Surface Location

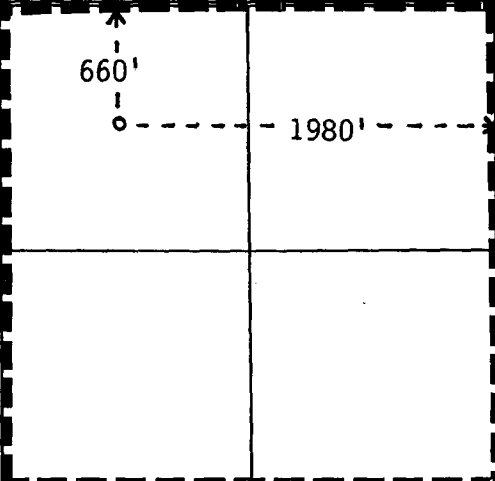
UL or lot no. B	Section 28	Township 23S	Range 37E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Cathy Tomberlin</i> Signature Cathy Tomberlin Printed Name Sr. Operation Tech Title 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
			Standard 640-acre Section



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Gulf Oil Corporation

3. ADDRESS OF OPERATOR

P. O. Box 980, Kermit, Texas 79745

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

660' FNL and 1980' FEL, Sec. 28, T-23S, R-37E

At proposed prod. zone

300' of surface location

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

11 miles north of Jal, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

1600

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1400' West
of Well #21

19. PROPOSED DEPTH

6300

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

Later

22. APPROX. DATE WORK WILL START*

Upon approval of Permit

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24#	850'	Circulate
7-7/8"	5-1/2"	15.50#	6000'	Top at base of Salt (2300')

Will drill to 6300' to test the Teague Blinberry
formation within the interval 5350' to 5900'.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

ORIGINAL
SIGNED BY: H. F. SWANNACK

TITLE Area Manager

DATE January 5, 1968

H. F. Swannack

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
JAN 5 1968
A. R. BROWN
DISTRICT ENGINEER

*See Instructions On Reverse Side



MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

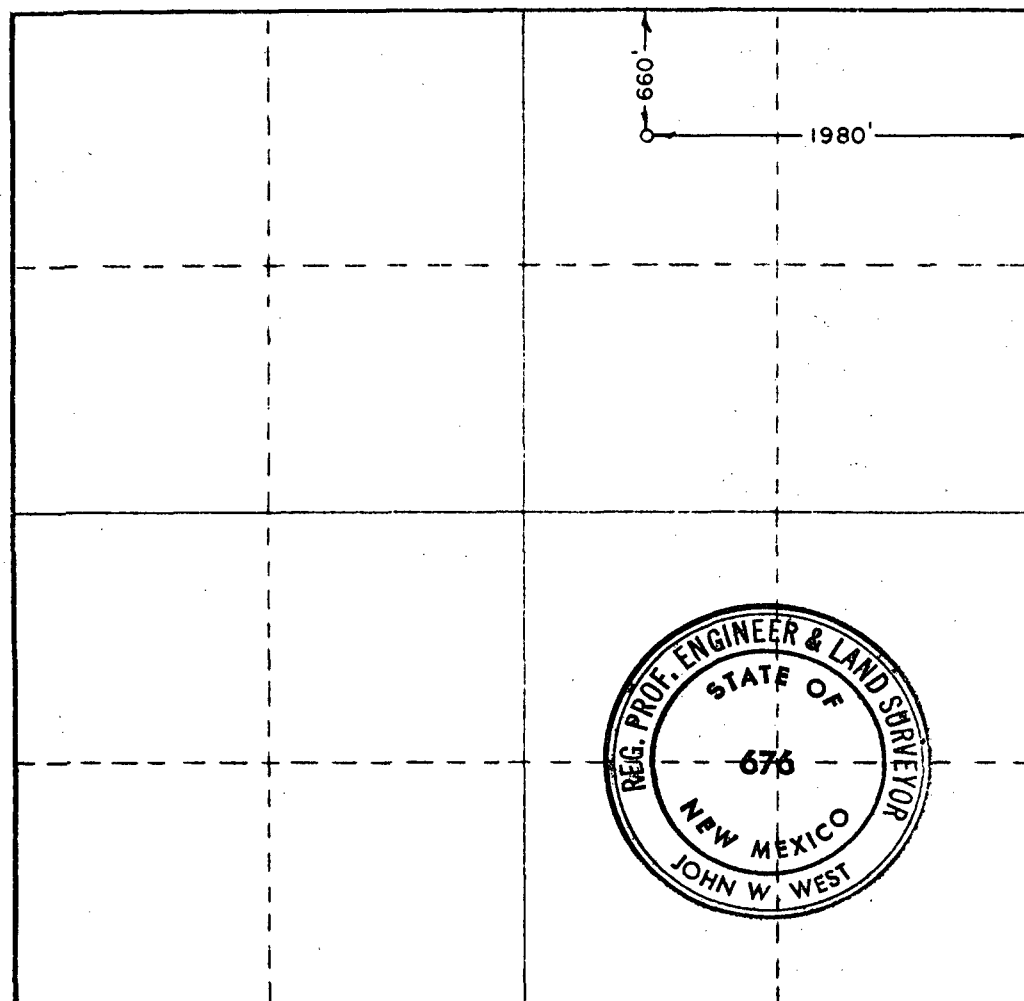
Operator Gulf Oil Corp.			Lease C. E. LaMunyon			Well No. 23		
Unit Letter B	Section 28	Township 23 South	Range 37 East	County Lea				
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the East line								
Ground Level Elev.	Producing Formation Blinebry		Pool Teague Blinebry			Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
H. F. Swannack
 Position
Area Manager
 Company
Gulf Oil Corporation
 Date
January 5, 1968

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 knowledge and belief.

Date Surveyed
January 3, 1968
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **676**

0 320 640 960 1280 1600 1920 2240 2560 2880 3200 3520 3840 4160 4480 4800 5120 5440 5760 6080 6400



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

MAR 13 1997

C. E. Lemunyon

March 10, 1997

POST OFFICE BOX 1880
HOBBS, NEW MEXICO 88241-1880
(505) 383-8181

Arch Petroleum, Inc.
10 Desta Drive, Suite 420E
Midland, Texas 79705

SUBJECT: Division Order R-10776
Teague Paddock-Blinbry Pool

*Bonnie
pave #
58300*

Gentlemen:

According to the provisions of Division Order R-10776, effective March 1, 1997, the vertical limits of the Teague-Blinbry Pool are extended to include the Paddock formation and redesignated as the Teague Paddock-Blinbry Pool.

All wells currently listed as producing from the Teague-Blinbry Pool and/or the Teague-Paddock Pool are now classified as producing from the Teague Paddock-Blinbry Pool.

Please amend your records to show this change in pool designation on all your wells falling into either of these categories.

Also, please notify your transporters of these changes.

Very truly yours

OIL CONSERVATION DIVISION

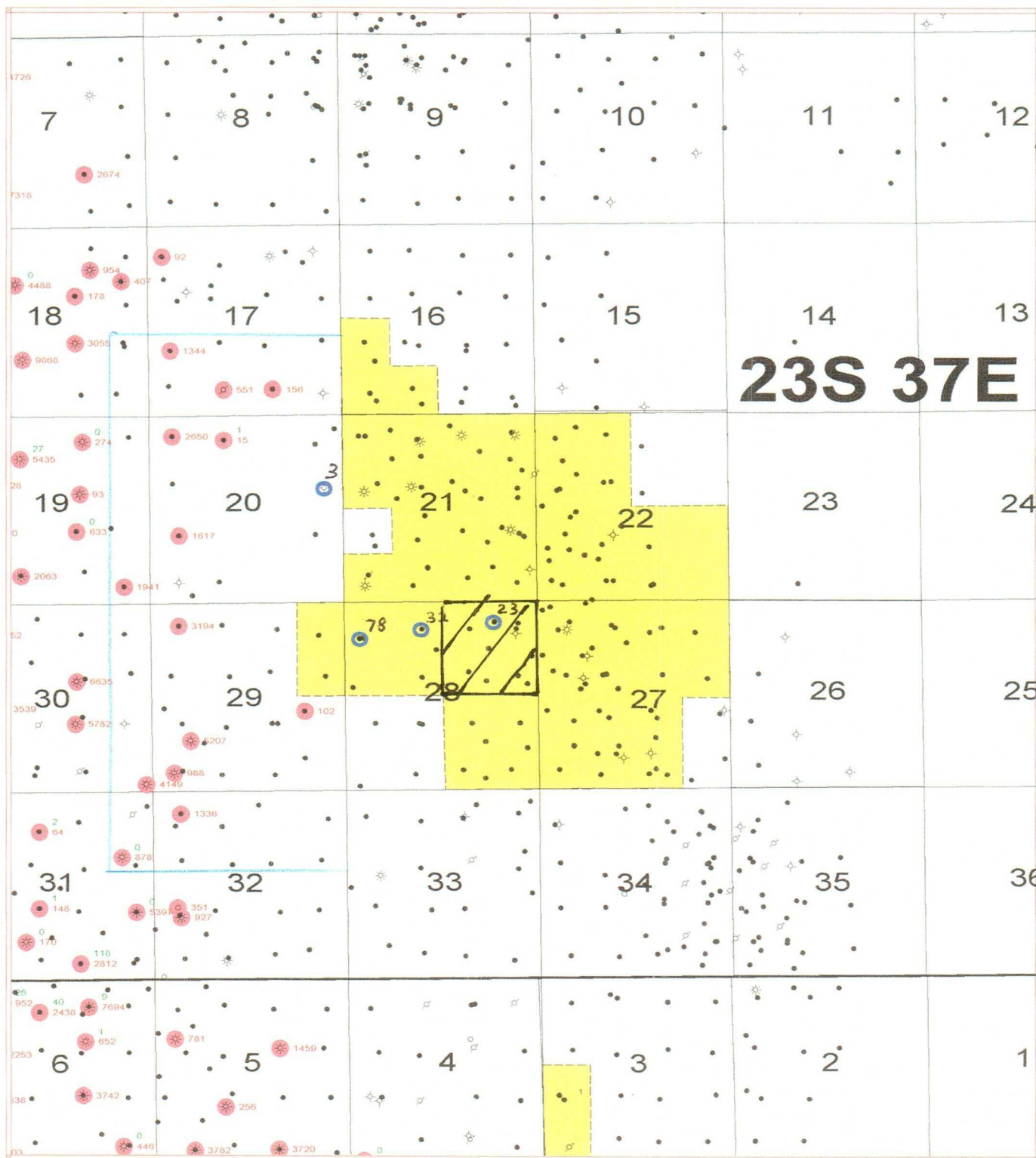
Jerry Sexton

Jerry Sexton
Supervisor, District I

/bp

File

*changed
2-4-97*



LEGEND

- PROD T-Y-7
- Recent Jalmat Completions
- ARCH LEASEHOLD

ARCH PETROLEUM INC

TEAGUE FIELD AREA
LEA COUNTY, NEW MEXICO
JALMAT PROD MAP

GLENN CURRY

3/5/2004

ALL WELLS

Scale 1:48000.

JALMATlg

Blumberg No. 5119

EXHIBIT

C

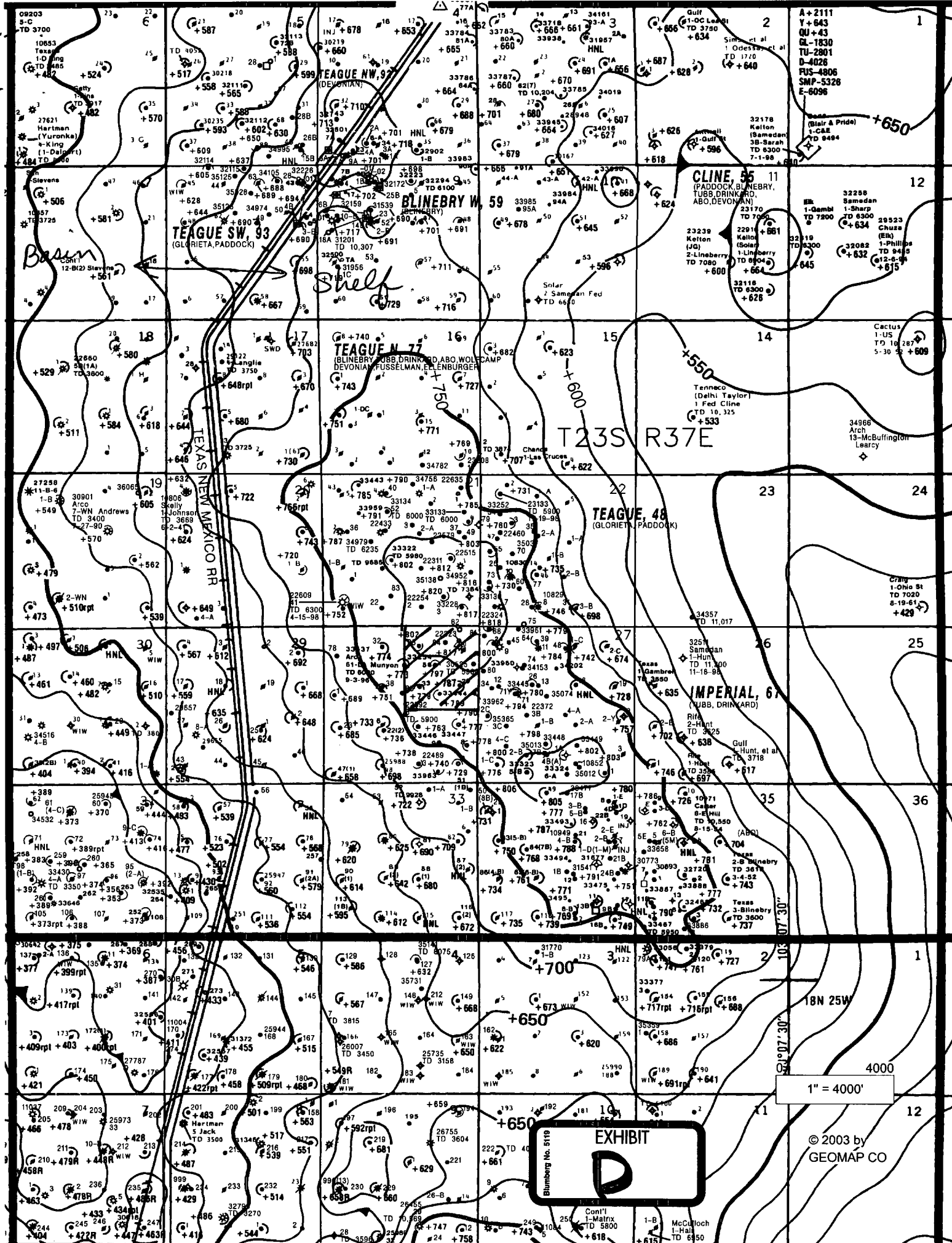


EXHIBIT
D

© 2003 by
GEOMAP CO

PI/Dwights PLUS on CD Well Summary Report

General Information			
State	: NEW MEXICO	Final Status	:
County	: LEA	Drill Total Depth	:
Field	: JALMAT	Log Total Depth	:
Operator Name	: FULFER OIL & CATTLE	True Vertical Depth	:
Lease Name	: JOHNSON J C		
Well Number	: 3	Spud Date	:
API Number	: 30025108080001	Comp Date	:
Regulatory API	:		
Init Lahee Class	: D X	Hole Direction	: VERTICAL
Final Lahee Class	:	Reference Elevation	:
Permit Number	:	Ground Elevation	:
Geologic Province	: PERMIAN BASIN	KB Elevation	:
Formation at TD	:		
Oldest Age Pen	:		
Township	: 23 S	Section	: 20 SEC
Range	: 37 E	Spot	: C SE NE
Base Meridian	: NEW MEXICO		
Additional Location Information			
Footage Location	: 1980 FNL 660 FEL CONGRESS SECTION		
Latitude	: 32.2914500	Latitude (Bot)	:
Longitude	: -103.1780400	Longitude (Bot)	:
Lat./Long. Source	: TS		
Location Narrative	: Type	Remark	
	: SCALED_FOOT	REGULATORY	
	: IRREG_SECT	N	

Re enter old well + completed as
Jalmat Producer

Initial Rate 1,000 MCFD.

Feb 2004



Oil Well Test Summary Report

Battery: C.E. LAMUNYON BATT #1

Satellite: Lamunyon 1 Satellite

Well: #23 C. E. Lamunyon

Start Date: 01/01/2004

End Date: 03/04/2004

Name	Test Date	Hrs Test	Test Type	Test Data						Gas Chart Data			
				Oil Volume	Water Volume	Gas Volume	OW Tot. Gas Lift	Calc. Water Cut	GOR	Gas Temp.	Gas Press.	Gas Diff. Press.	Orif. Size
		hrs		bbl	bbl	mscf	mscf	%	mscf/bbl	F	psig	inH2O	in
#23 C. E. Lamun...	10/12/2003	24.00	Single Day	2	4	34	0	66.67	17.00	-?	-?	-?	-?
#23 C. E. Lamun...	01/22/2004	17.00	Single Day	0	104	890	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/23/2004	24.00	Single Day	0	104	1,031	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/24/2004	24.00	Single Day	0	104	915	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/25/2004	24.00	Single Day	0	36	850	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/26/2004	24.00	Single Day	0	17	807	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/27/2004	24.00	Single Day	0	4	710	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	02/18/2004	24.00	Single Day	0	4	345	0	100.00	-?	-?	-?	-?	-?



Oil Well Test Summary Report

Battery: C.E. LAMUNYON BATT #1

Satellite: Lamunyon 1 Satellite

Well: #78 C.E. Lamunyon

Start Date: 11/01/2003 End Date: 03/04/2004

Name	Test Date	Hrs Test	Test Type	Test Data						Gas Chart Data			
				Oil Volume	Water Volume	Gas Volume	OW Tot. Gas Lift	Calc. Water Cut	GOR	Gas Temp.	Gas Press.	Gas Diff. Press.	Orif. Size
		hrs		bbl	bbl	mscf	mscf	%	mscf/bbl	F	psig	inH2O	in
#78 C.E. Lamuny...	10/29/2003	24.00	Single Day	11	10	100	0	47.62	9.09	-?	-?	-?	-?
#78 C.E. Lamuny...	11/11/2003	19.00	Single Day	0	0	969	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/12/2003	24.00	Single Day	0	6	1,058	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/13/2003	24.00	Single Day	0	3	1,089	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/14/2003	24.00	Single Day	0	12	1,233	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/15/2003	24.00	Single Day	0	4	1,188	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/16/2003	24.00	Single Day	0	8	1,188	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/17/2003	24.00	Single Day	0	4	1,148	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/25/2003	24.00	Single Day	0	1	856	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	12/02/2003	24.00	Single Day	0	0	684	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	12/03/2003	24.00	Single Day	0	0	684	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	12/22/2003	24.00	Single Day	0	0	423	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	01/14/2004	24.00	Single Day	0	0	300	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	01/18/2004	24.00	Single Day	0	0	560	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/01/2004	24.00	Single Day	0	0	480	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/08/2004	24.00	Single Day	0	0	417	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/10/2004	24.00	Single Day	0	0	475	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/16/2004	24.00	Single Day	0	0	417	0	-?	-?	-?	-?	-?	-?

Oil Well Test Summary Report

Battery: C.E. LAMUNYON BATT #1

Satellite: Lamunyon 1 Satellite

Well: #32 C. E. Lamunyon

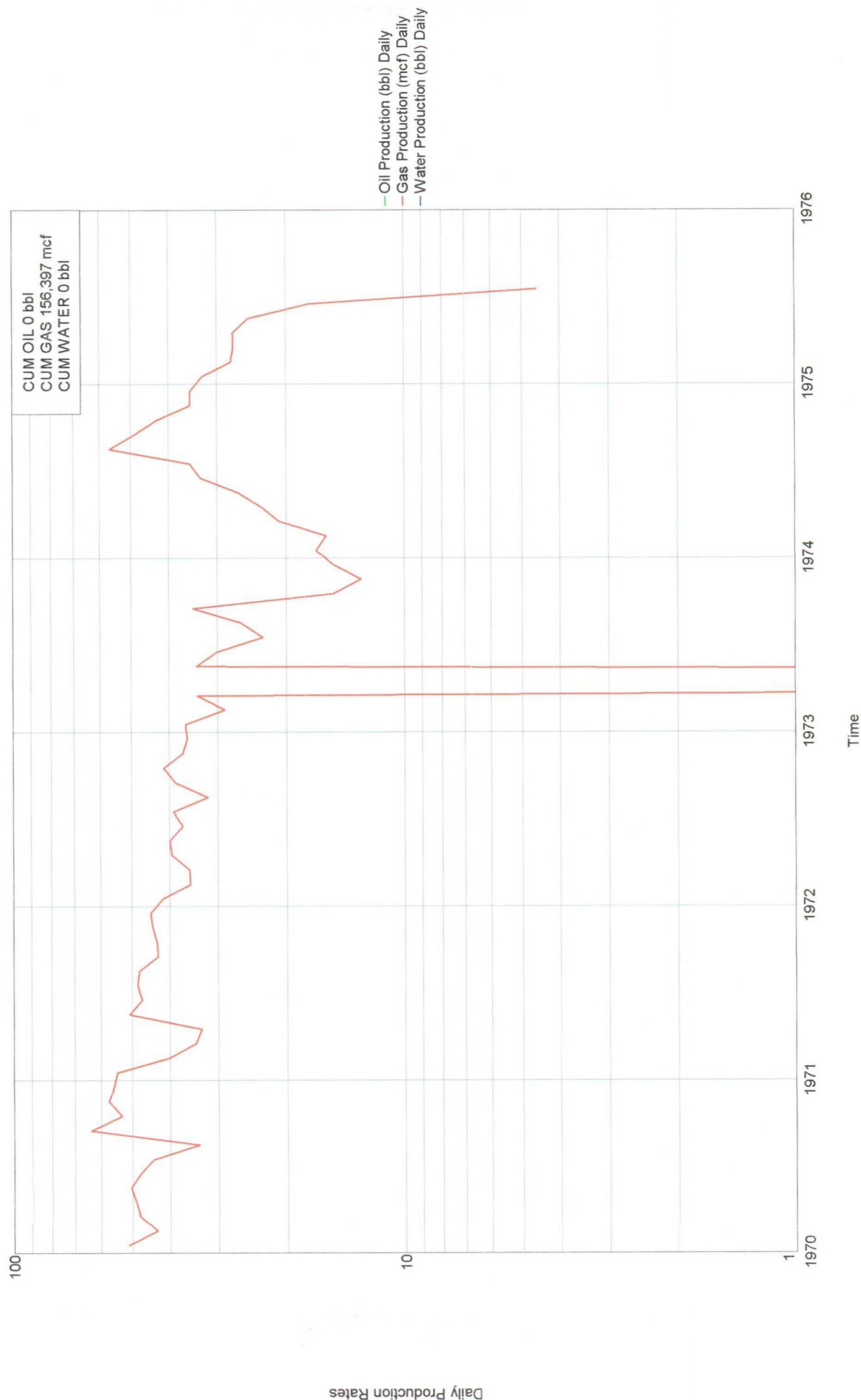
Start Date: 01/01/2004

End Date: 03/04/2004

Name	Test Date	Hrs Test	Test Type	Test Data						Gas Chart Data			
				Oil Volume	Water Volume	Gas Volume	OW Tot. Gas Lift	Calc. Water Cut	GOR	Gas Temp.	Gas Press.	Gas Diff. Press.	Orif. Size
		hrs		bbl	bbl	mscf	mscf	%	mscf/bbl	F	psig	inH2O	in
#32 C. E. Lamun...	10/21/2003	24.00	Single Day	2	5	45	0	71.43	22.50	-?	-?	-?	-?
#32 C. E. Lamun...	01/15/2004	24.00	Single Day	0	148	1,219	0	100.00	-?	-?	-?	-?	-?
#32 C. E. Lamun...	01/16/2004	22.00	Single Day	0	40	1,253	0	100.00	-?	-?	-?	-?	-?
#32 C. E. Lamun...	01/17/2004	22.00	Single Day	0	24	1,219	0	100.00	-?	-?	-?	-?	-?
#32 C. E. Lamun...	01/28/2004	22.00	Single Day	0	24	670	0	100.00	-?	-?	-?	-?	-?
#32 C. E. Lamun...	02/09/2004	24.00	Single Day	0	8	951	0	100.00	-?	-?	-?	-?	-?
#32 C. E. Lamun...	02/17/2004	24.00	Single Day	1	2	834	0	66.67	834.00	-?	-?	-?	-?

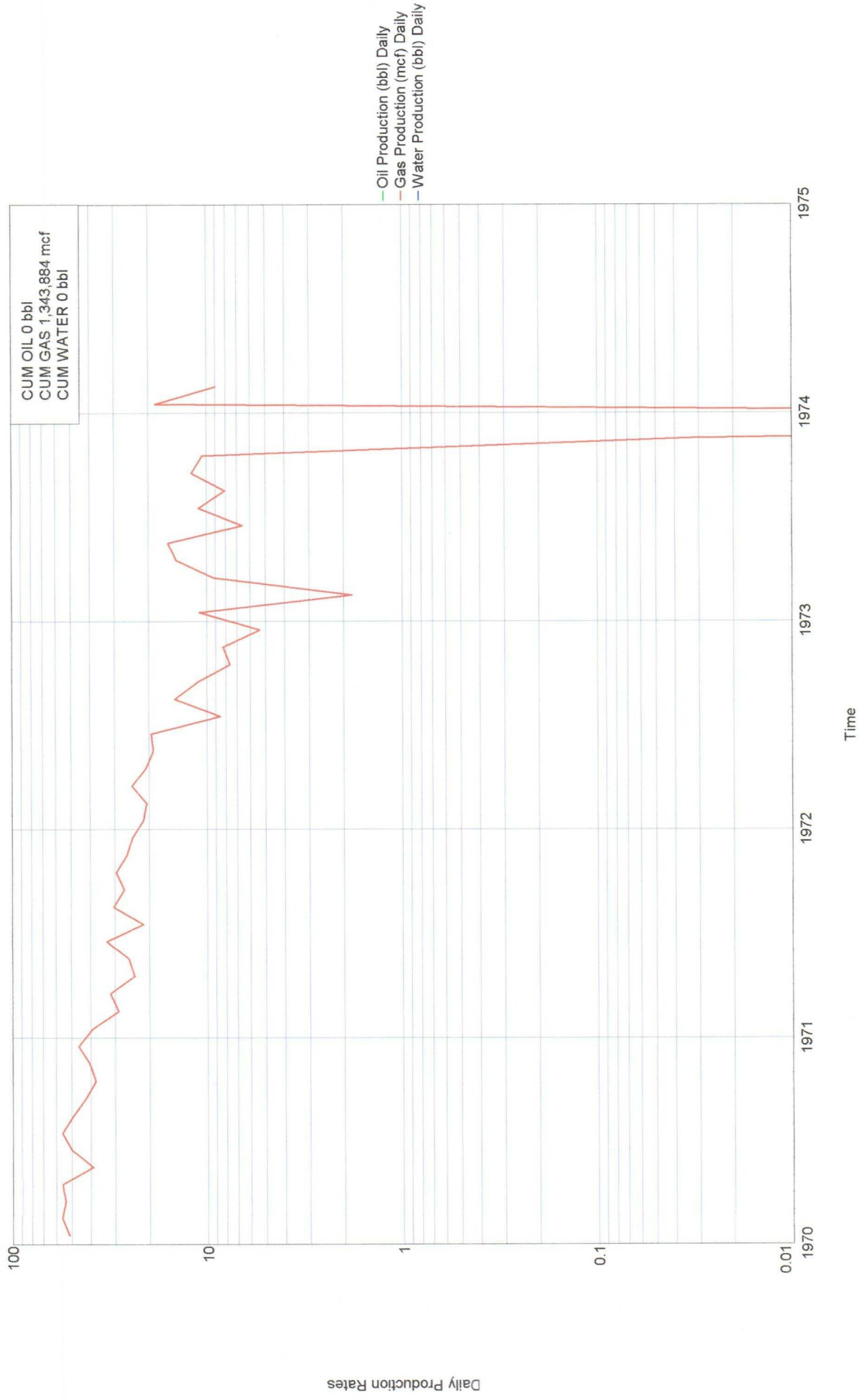
Lease Name: HUGHES B FEDERAL
County, State: LEA, NM
Operator: SAMEDAN OIL CORPORATION
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 17 23S 37E

HUGHES B FEDERAL 2 30025219360000 TANSILL-YATES-SEVEN



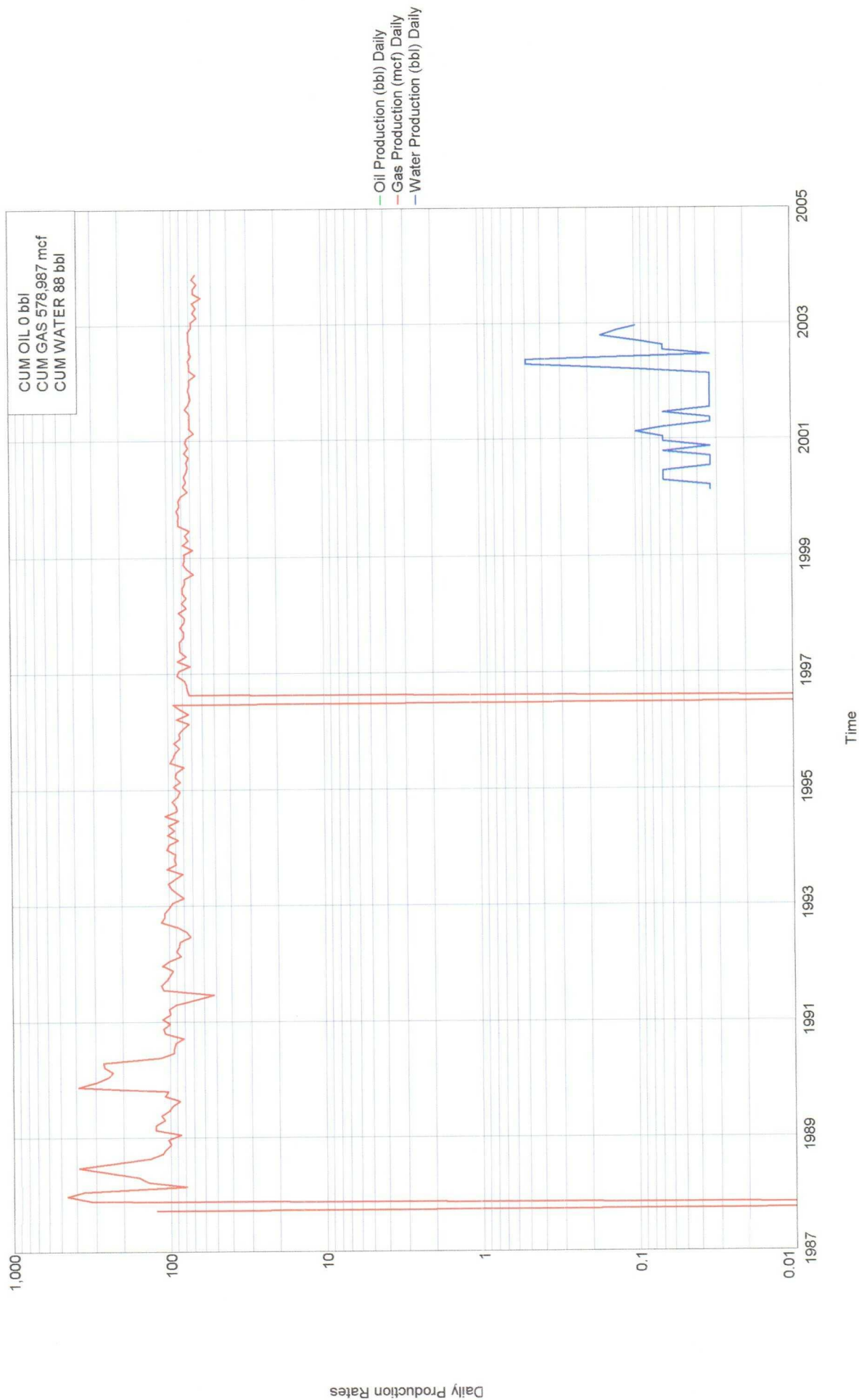
Lease Name: E L STEELER
County, State: LEA, NM
Operator: SKELLY OIL COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 17 23S 37E

E L STEELER 7 30025107890000 TANSILL-YATES-SEVEN



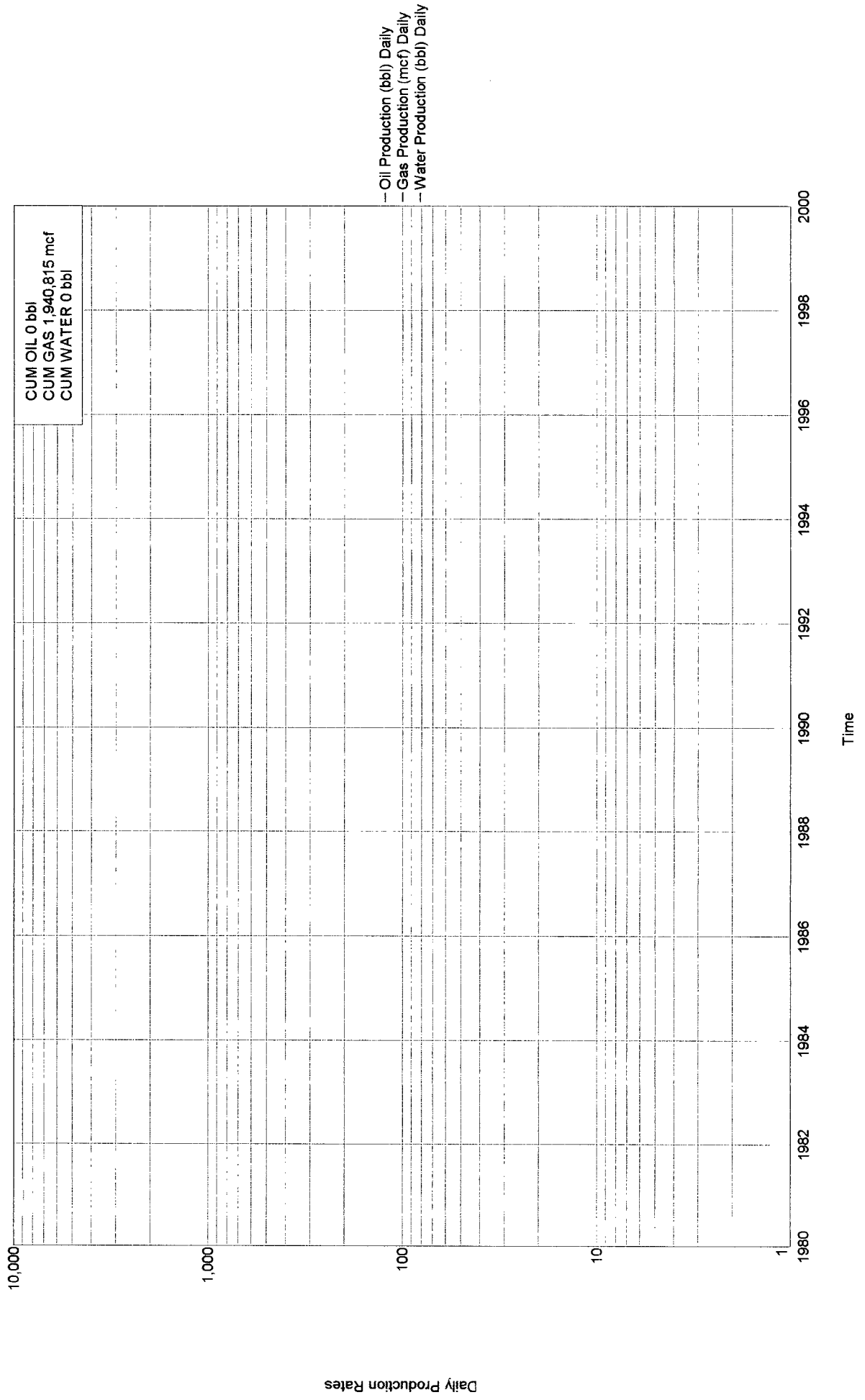
Lease Name: HUGHES FEDERAL
County, State: LEA, NM
Operator: BURLESON LEWIS B INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 17 23S 37E

HUGHES FEDERAL 3 30025251910000 TANSILL-YATES-SEVEN



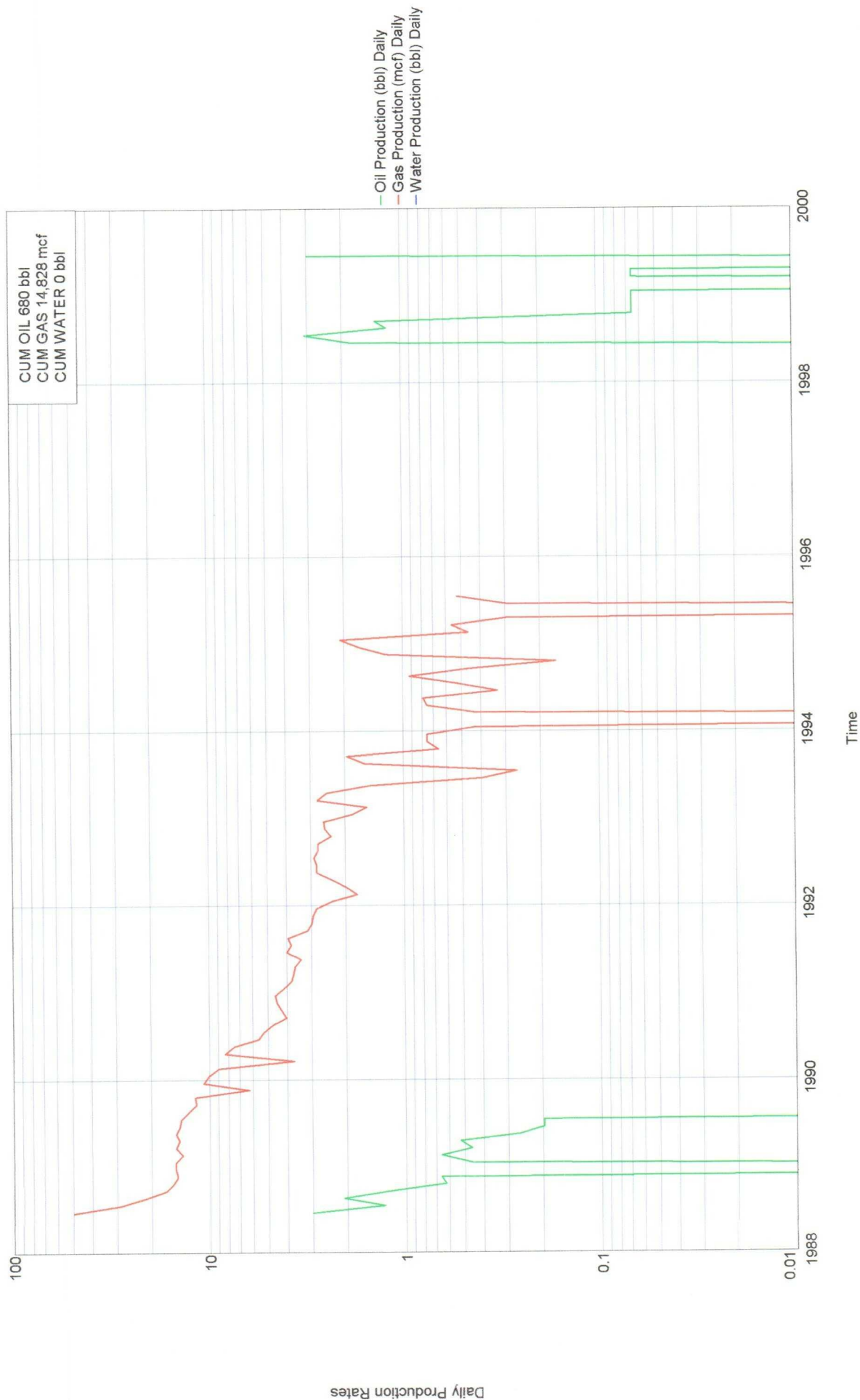
Lease Name: E L STEELER WN
County, State: LEA, NM
Operator: ATLANTIC RICHFIELD COMPANY THE
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 19 23S 37E

E L STEELER WN 1 30025107990000 TANSILL-YATES-SEVEN



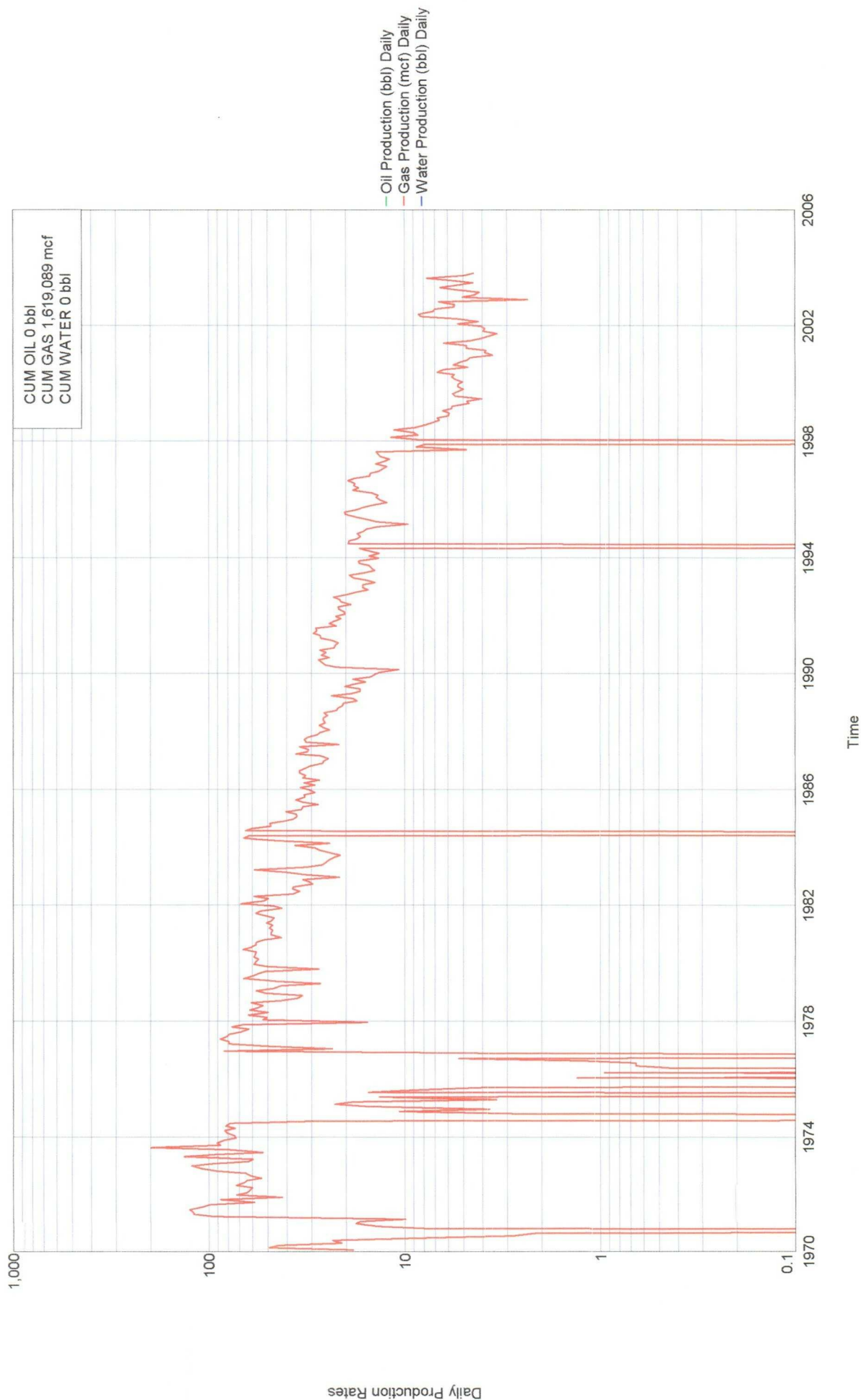
Lease Name: J C JOHNSON
County, State: LEA, NM
Operator: FULFER OIL & CATTLE COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 20 23S 37E NE NW

J C JOHNSON 5 30025108120000 TANSILL-YATES-SEVEN



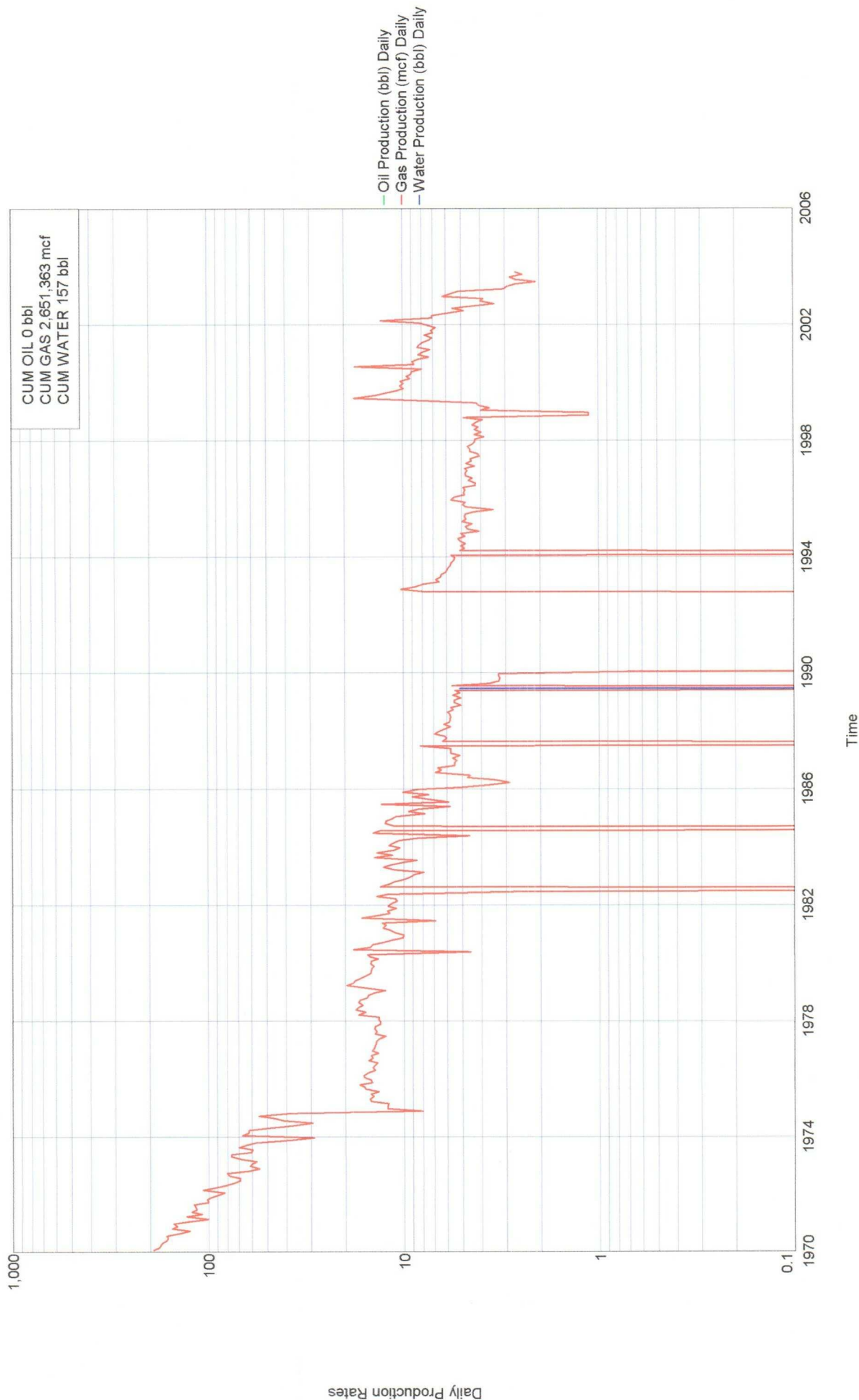
Lease Name: STEELER A
County, State: LEA, NM
Operator: WESTBROOK OIL CORPORATION
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 20 23S 37E

STEELER A 1 30025108050000 TANSILL-YATES-SEVEN



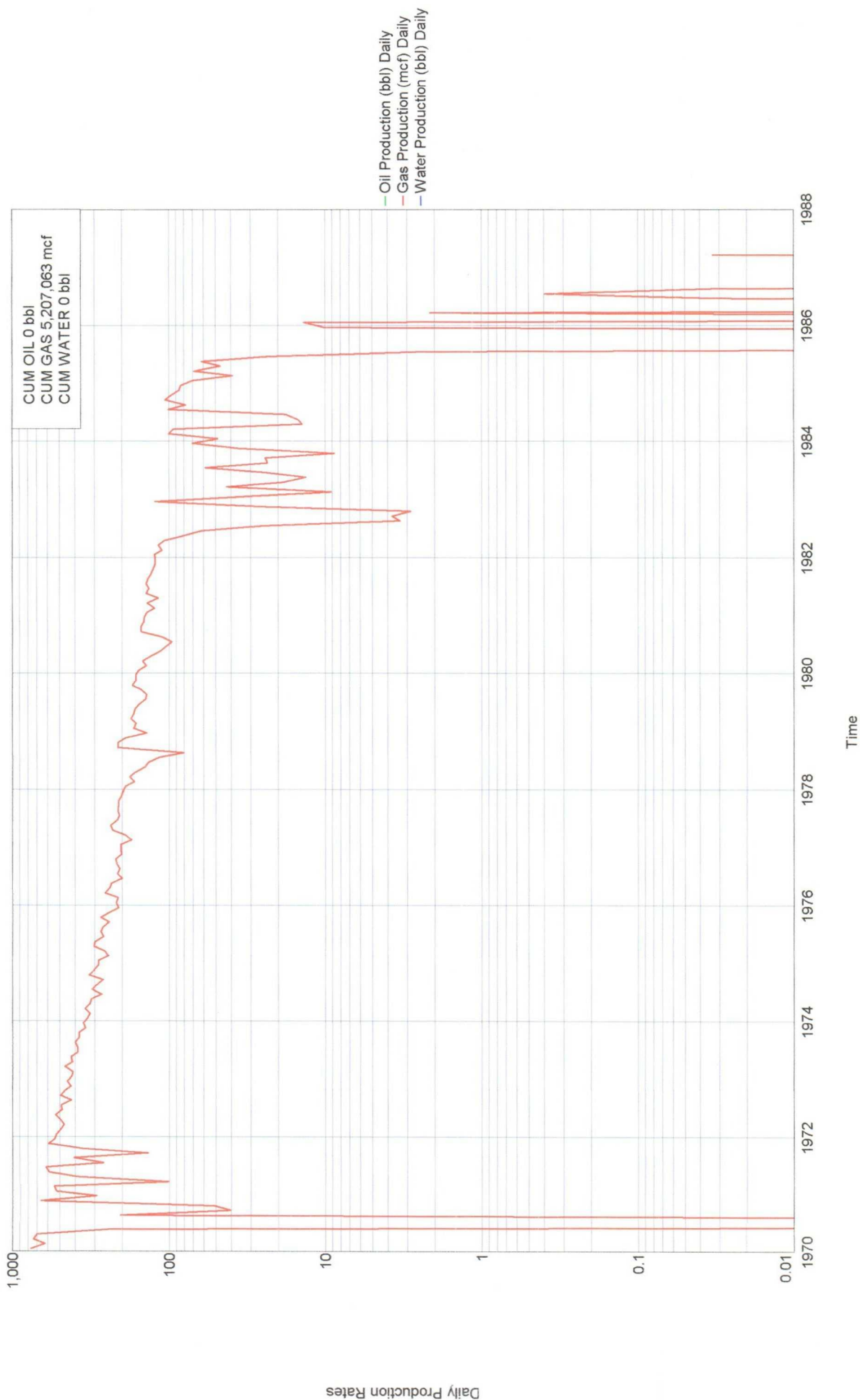
Lease Name: J C JOHNSON
County, State: LEA, NM
Operator: FULFER OIL & CATTLE COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 20 23S 37E

J C JOHNSON 4 30025108110000 TANSILL-YATES-SEVEN



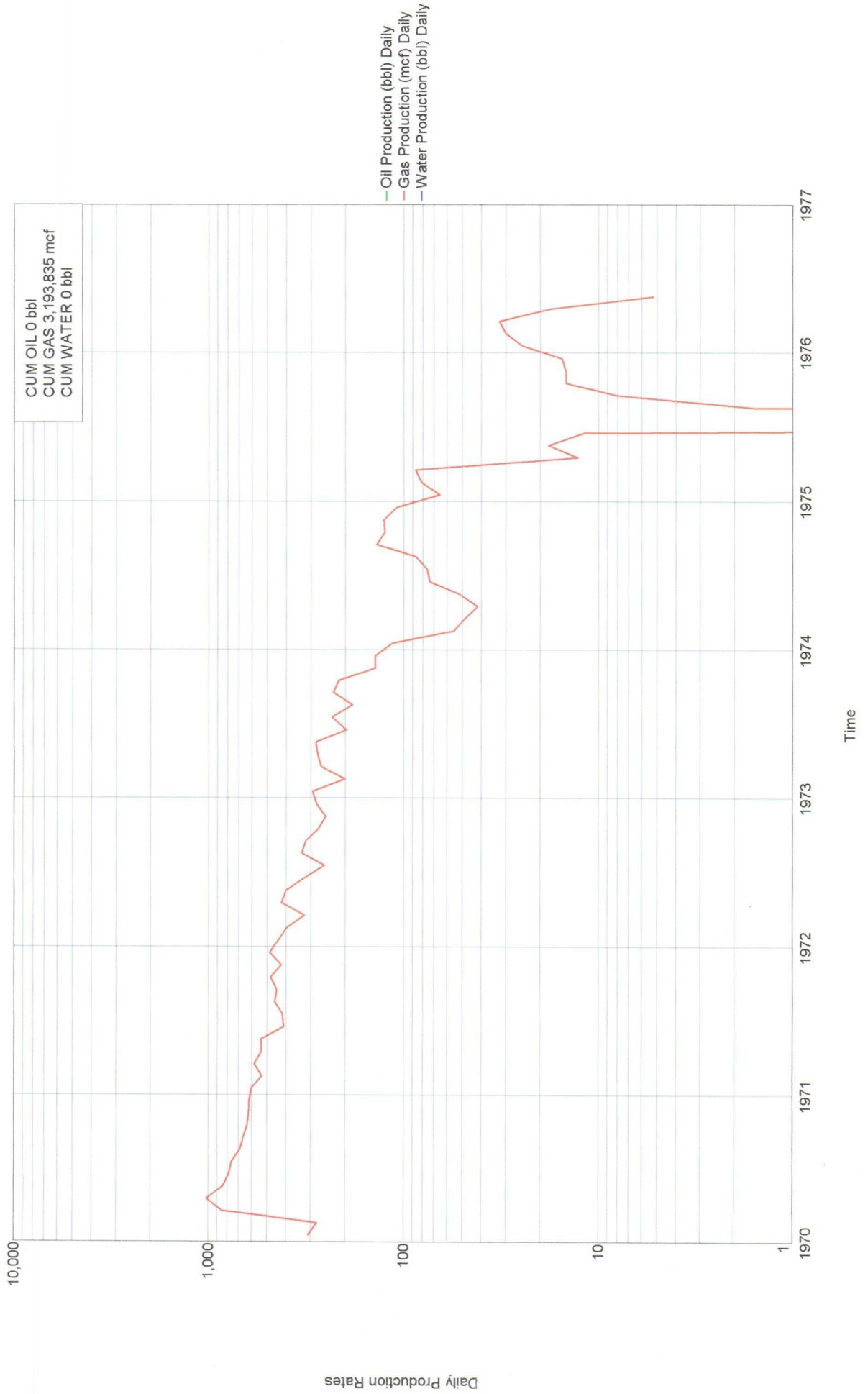
Lease Name: OLSON-BLINEBRY
County, State: LEA, NM
Operator: MERIDIAN OIL INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 29 23S 37E

OLSON-BLINEBRY 1 30025108830000 TANSILL-YATES-SEVEN



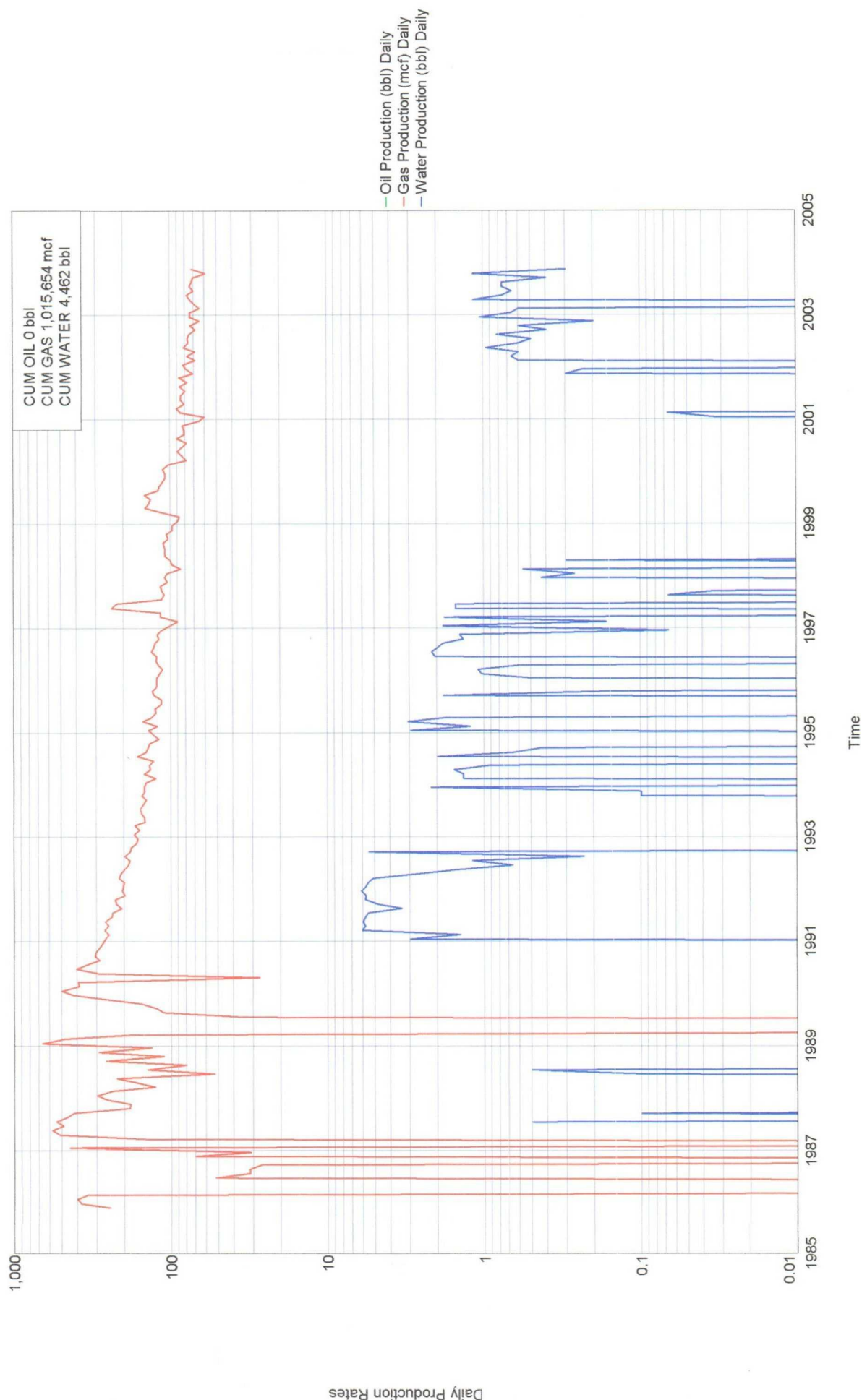
Lease Name: C E LAMUNYON
County, State: LEA, NM
Operator: GULF OIL CORPORATION
Field: JALMAT
Reservoir: SEVEN RVR QN GRBG
Location: 29 23S 37E

C E LAMUNYON 4 30025108710000 SEVEN RVR QN GRBG



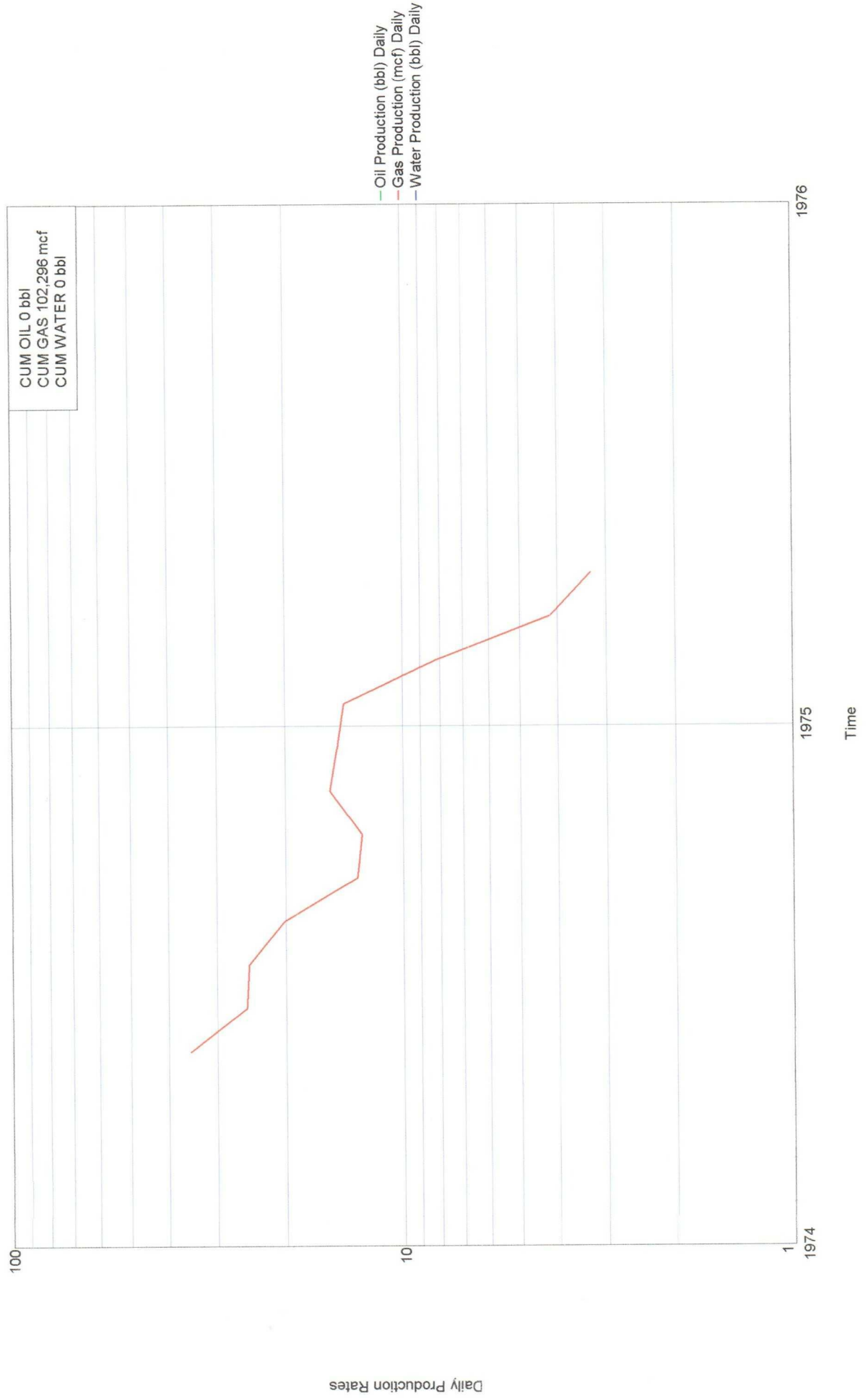
Lease Name: OLSEN BLINEBRY
County, State: LEA, NM
Operator: GRUY PETROLEUM MANAGEMENT COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 29 23S 37E

OLSEN BLINEBRY 2 30025293710000 TANSILL-YATES-SEVEN



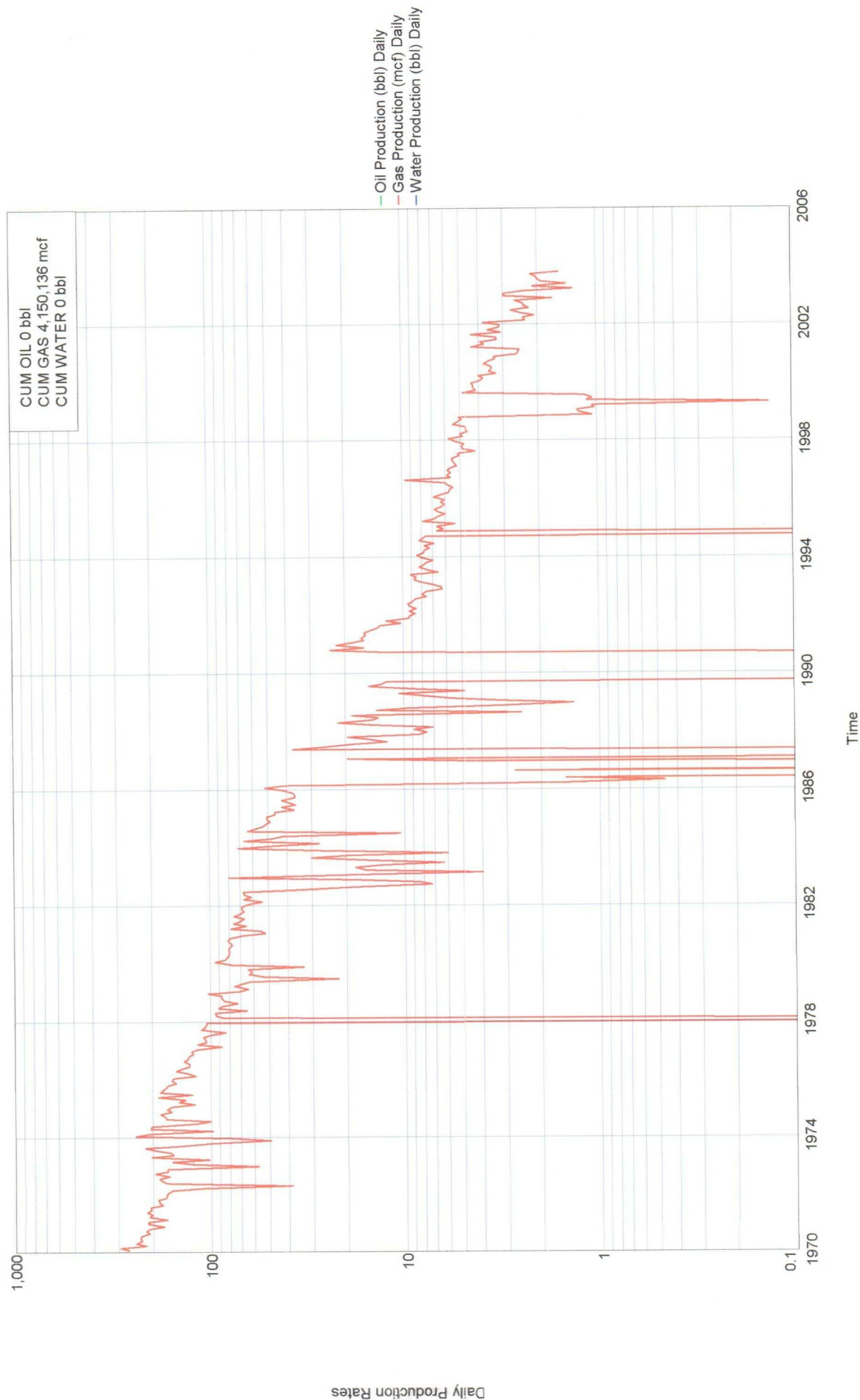
Lease Name: MYERS LANGLEIE MATTIX UNIT
County, State: LEA, NM
Operator: OXY USA INC
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 29 23S 37E

MYERS LANGLEIE MATTIX UNIT 2 30025108770000 TANSILL-YATES-SEVEN



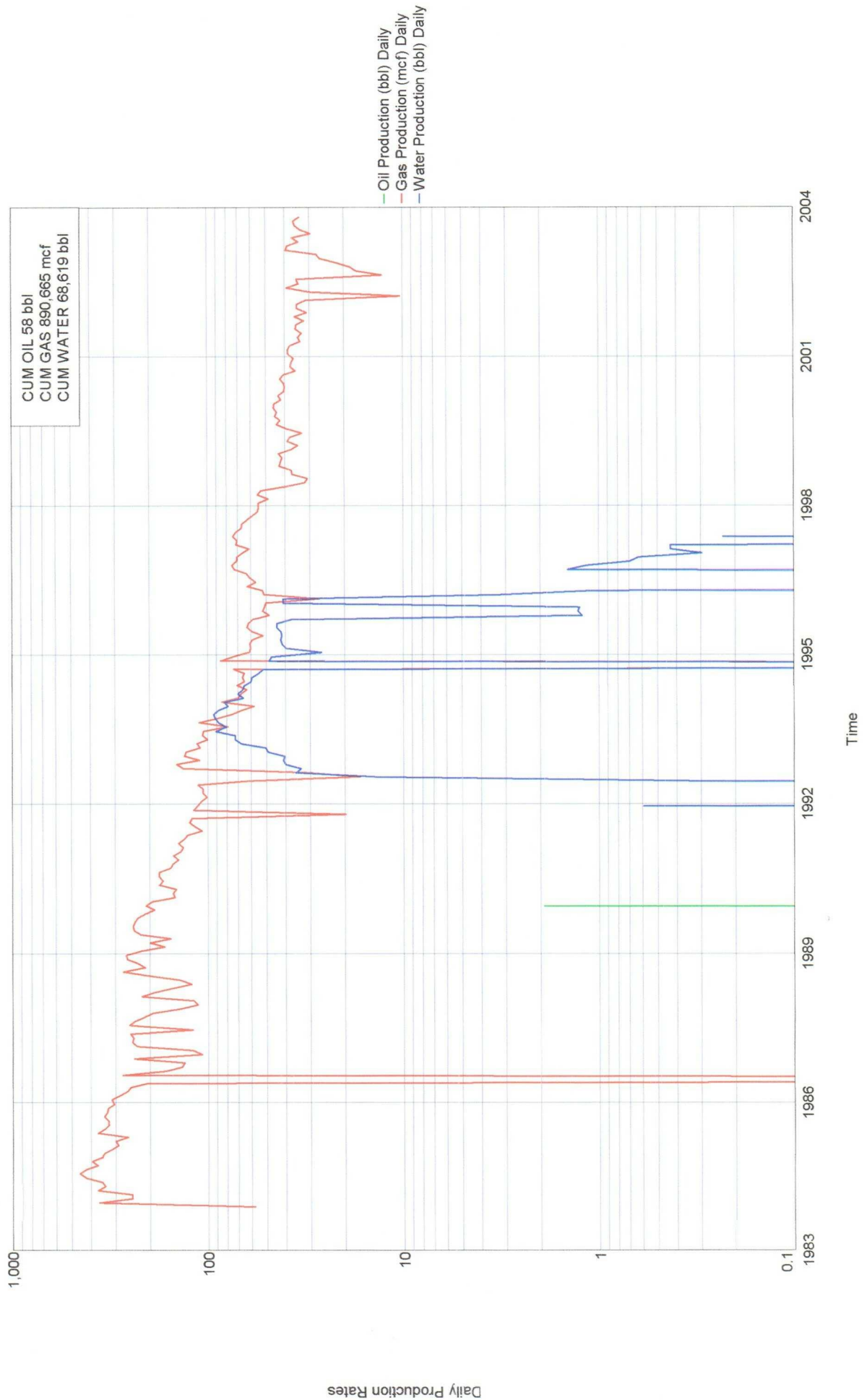
Lease Name: R W COWDEN A WN
County, State: LEA, NM
Operator: ROCA PRODUCTION INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 30 23S 37E

R W COWDEN A WN 1 30025108990000 TANSILL-YATES-SEVEN



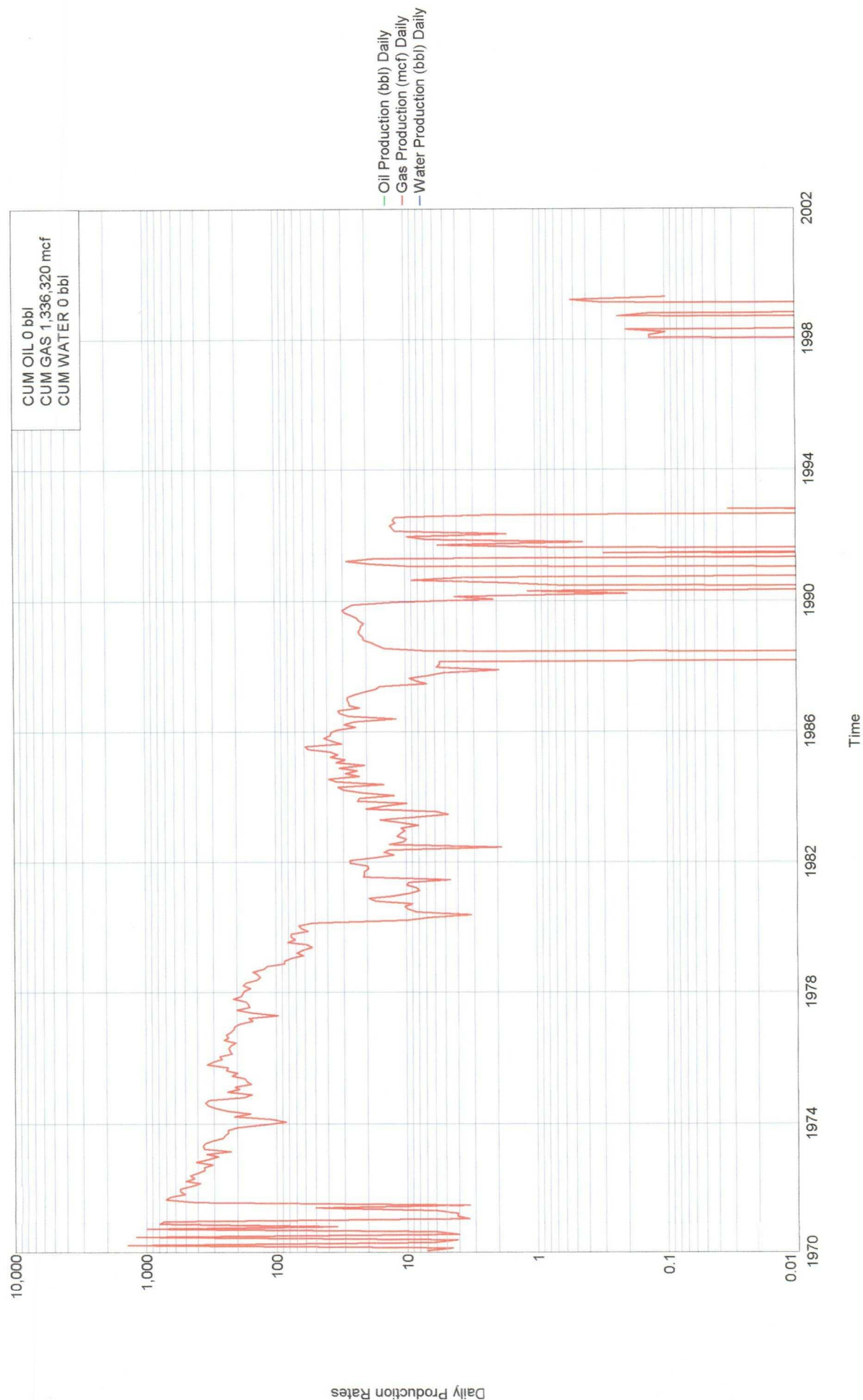
Lease Name: R W COWDEN C
County, State: LEA, NM
Operator: ROCA PRODUCTION INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 31 23S 37E

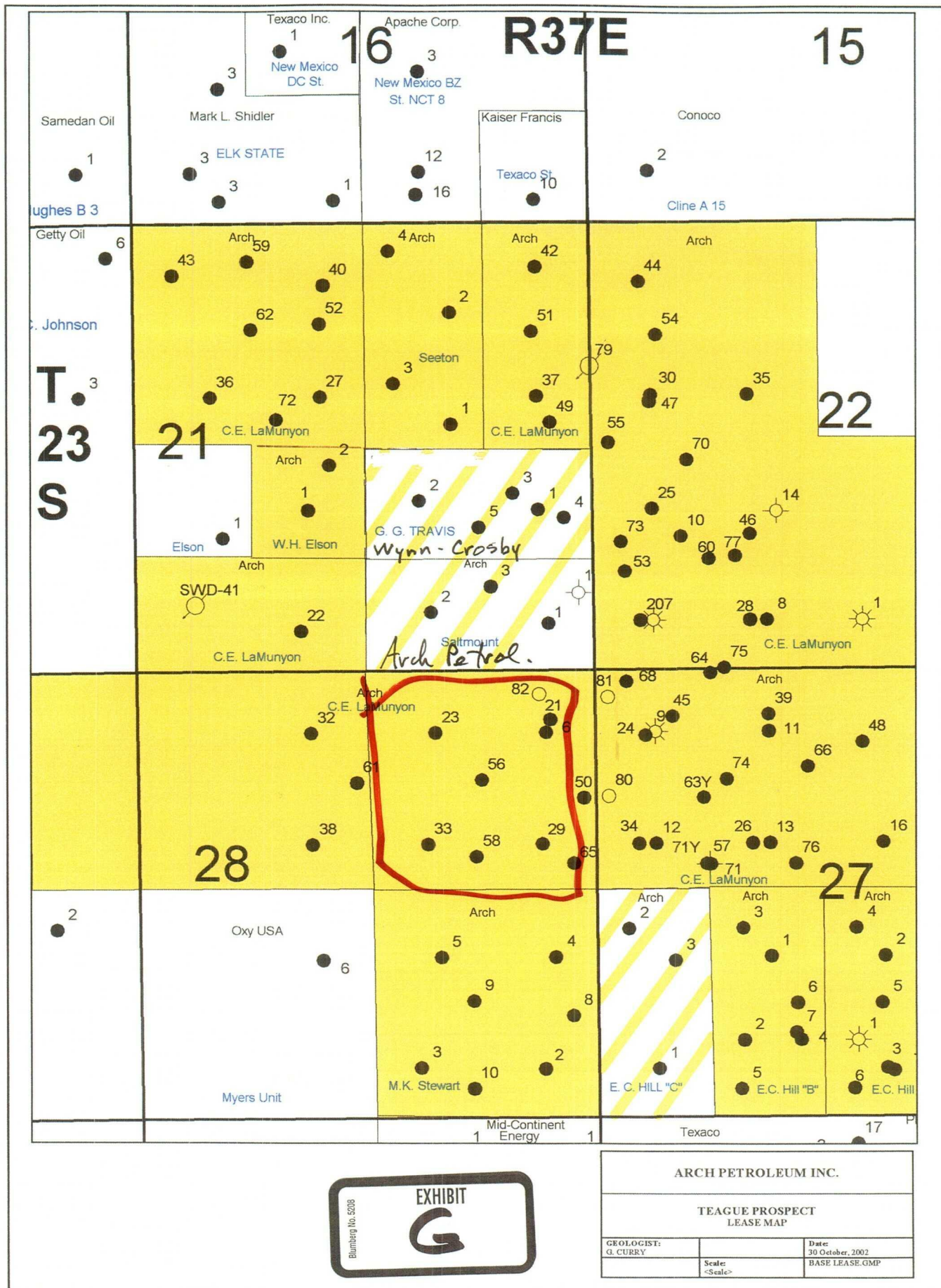
R W COWDEN C 9 30025279180000 TANSILL-YATES-SEVEN



Lease Name: H LEONARD B
County, State: LEA, NM
Operator: PERMIAN RESOURCES INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 32 23S 37E

H LEONARD B 2 30025109170000 TANSILL-YATES-SEVEN





JAMES BRUCE
ATTORNEY AT LAW

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(505) 982-2151 (Fax)

jamesbruc@aol.com

June 25, 2004

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Offset operators

Ladies and gentlemen:

Enclosed is a copy of an application for administrative approval of a non-standard gas spacing unit, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the NE¼ of Section 28, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico. If you object to the application, you must notify the Division, in writing, no later than July 15, 2004 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.



C.E. Lamunyon Federal Well No. 23

OFFSET OPERATORS/INTEREST OWNERS

1. E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$ §21: C.E. Lamunyon Federal Lease: Same ownership as in C.E. Lamunyon Federal Well No. 23.
2. W $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$ §21: Seeton, Elson, and Saltmount Fee Leases: Arch Petroleum Inc. is operator; fee royalty owners are listed on Exhibit 1.
3. N $\frac{1}{2}$ SE $\frac{1}{4}$ §21: Travis Fee Lease: Wynn-Crosby Energy Inc. is operator. See Exhibit 2.
4. SW $\frac{1}{4}$ §22: Arch Petroleum Inc. is operator of Jalmat well on C.E. Lamunyon Federal Lease.
5. N $\frac{1}{2}$ §27: C.E. Lamunyon Federal Lease: Same ownership as in C.E. Lamunyon Federal Well No. 23.
6. SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ §27: E.C. Hill A, B, and C Fee Leases: Arch Petroleum Inc. is operator; working interest and fee royalty owners are listed on Exhibit 3.
7. E $\frac{1}{2}$ SE $\frac{1}{4}$ §27: Goins Fee Lease: Robert H. Forrest, Jr. Oil LLC is operator. See Exhibit 2.
8. NW $\frac{1}{4}$ §28: Arch Petroleum Inc. is operator of Jalmat well on C.E. Lamunyon Federal Lease.
9. SW $\frac{1}{4}$ §28: Myers Unit: OXY USA WTP Limited Partnership is operator. See Exhibit 2.
10. SE $\frac{1}{4}$ §28: M.K. Stewart Federal Lease: Arch Petroleum Inc. is operator, U.S.A. is royalty owner, and ChevronTexaco Inc. is overriding royalty owner. See Exhibit 2.

EXHIBIT 1

Apache Corporation
Two Warren Place
Suite 1500
6120 South Yale
Tulsa, OK 74136

Attention: Mario R. Moreno, Jr.

Pure Energy Group, Inc.
Suite 220
153 Treeline Park
San Antonio, TX 78209-1880

Chisos, Ltd.
670 Dona Ana Road S.W.
Deming, NM 88030

Occidental Permian, Ltd.
P.O. Box 4294
Houston, TX 77210

Ross Travis
P.O. Box 1202
Ojai, CA 93024

Lawrence I. Travis
424 Lombard Avenue
Pacific Palisades, CA 90272

Carole A. Travis, Trustee
P.O. Box 2870
Jackson, WY 83001

George G. Travis Trust
1712 Palisades Drive
Pacific Palisades, CA 90272

Robert Miles Travis
P.O. Box 25156
Seattle, WA 98125

Cissy R. Travis, Trustee
135 Coral Cay Drive
Palm Beach Gardens, FL 33418

Elson Oil Company
Suite 1404
20 East 5th Street
Tulsa, OK 74103

Frank Seeton
1815 Union Drive
Lakewood, CO 80215

The Long Trusts
P.O. Box 3096
Kilgore, TX 75663

Tom R. Cone
P.O. Box 778
Jay, OK 74346

Kenneth G. Cone
Kenneth G. Cone, Trustee
P.O. Box 11310
Midland, TX 79702

Cathie Cone McCown
Cathie Cone McCown, Trustee
P.O. Box 507
Dripping Springs, TX 78620

Randy Lee Cone
P.O. Box 552
Jay, OK 74346

Bank of Oklahoma, Trustee for
the children of Tom R. Cone
P.O. Box 3499
Tulsa, OK 74101

Clifford Cone
P.O. Drawer 1629
Lovington, NM 88260

Blackstone Minerals Company, LP
P.O. Box 201709
Houston, TX 77216

Dorothy Campbell, Trustee
Suite 203
2323 South Voss
Houston, TX 77057

Mary Jon Bryan
P.O. Box 1358
Lindale, TX 75771

Evans Oil & Gas, L.L.C.
3513 East Old Shakopee Road
Bloomington, MN 55425

Sheridan Family Trust
2711 West Calle de Dali
Tucson, AZ 85745

BMNW Resources, L.L.C.
P.O. Box 180573
Dallas, TX 75218

Stroube Energy Corporation
No. 123, LB 249
17194 Preston Road
Dallas, TX 75248

John E. McConnell
1318 Briar Bayou
Houston, TX 77077

Leila McConnell Gadbois
2525 Stanmore Drive
Houston, TX 79019

F. Bennett Watts
P.O. Box 231
Breckenridge, TX 76424

Roy G. Barton, Jr., Trustee
1919 North Turner Street
Hobbs, NM 88240

Harry L. Jones, II Trust
2315 Candy Lane
Malabar, FL 32950

Normarth Corporation
52 Salem Ridge Drive
Huntington, NY 11743

Michael Gidwitz
Suite 1705
208 South LaSalle Street
Chicago, IL 60604

Marjo Operating Co., Inc.
P.O. Box 729
Tulsa, OK 74101

BNW, Inc.
P.O. Box 892044
Oklahoma City, OK 73189

Osprey Resources, Inc.
Suite 1512
921 Main Street
Houston, TX 77002

Estate of Max R. Chudy, Sr.
50 South Meadow Drive
Orchard Park, NY 14127

Lenox Partners
P.O. Box 3096
Mill River, MA 01244

Estate of John L. Brady
5220 West Barry Avenue
Chicago, IL 60641

Kirby Minerals
P.O. Box 268947
Oklahoma City, OK 73125

Charles T. Gallaher, II
No. 103
5080 Harmony Circle
Vero Beach, FL 32967

Joseph Wesley Gallaher, II
19008 Quail Valley Boulevard
Gaithersburg, MD 20879

OXY USA WTP Limited Partnership
P.O. Box 4294
Houston, Texas 77210

Nortex Corporation
Suite 3100
1415 Louisiana
Houston, TX 77002

JV Royalty Group
P.O. Box 2035
Roswell, NM 88202

Avalanche Royalty Partners LLC
Suite 1390
475 17th Street
Denver, CO 80202

Laura Beth Nissenbaum
Jennifer Travis Nissenbaum
135 Coral Cay Drive
Palm Beach Gardens, FL 33418

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Suite 3301
301 Commerce Street
Fort Worth, TX 76102

Nielson & Associates Inc.
P.O. Box 2850
Cody, WY 82414

Audrey M. Curry Baker
P.O. Box 1263
Midland, TX 79702

Patricia Galt Stevens
501 Grandview Place
San Antonio, TX 78209\

June D. Speight
P.O. Drawer 1687
Lovington, NM 88260

Edward Dreessen, Jr.
P.O. Box 830
Palo Cedro, CA 96073

David Bond Kyte 1997 Trust
P.O. Box 576
Santa Barbara, CA 93102

Ingrid Powell
P.O. Box 416
Los Altos, CA 94022

Betty Kyte Dreessen Irrevocable Trust
P.O. Box 1665
Los Altos, CA 94022

Gary W. Palmer
13711 Oak Pebble
San Antonio, TX 78232

William Walton Saunders
c/o Roma Oil & Gas Inc.
8620 North New Braunfels
San Antonio, TX 78217

Robert B. Mitchell Trust
Suite 270
2323 South Voss
Houston, TX 77057

Betty Dreessen Revocable Living Trust
27447 Edgerton Drive
Los Altos, CA 94022

Cecil Bond Kyte
P.O. Box 30864
Santa Barbara, CA 93105

Miles Boldrick
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Midland, TX 79702

James P. Boldrick
P.O. Box 10605
Midland, TX 79702

MAPOO-NET
P.O. Box 268946
Oklahoma City, OK 73126

Beverly Felts
Suite 220
8620 North New Braunfels
San Antonio, TX 78217

Saunders Family Enterprises Ltd.
Suite 220
8620 North New Braunfels
San Antonio, TX 78217

EXHIBIT 2

Wynn-Crosby Energy, Inc.
Suite 200
5500 West Plano Parkway
Plano, TX 75093

Robert H. Forrest, Jr. Oil LLC
609 Elora Drive
Carlsbad, New Mexico 88220

OXY USA WTP Limited Partnership
P.O. Box 4294
Houston, Texas 77210

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201

ChevronTexaco Inc.
15 Smith Road
Midland, Texas 79705

EXHIBIT 3

Apache Corporation
Two Warren Place
Suite 1500
6120 South Yale
Tulsa, Oklahoma 74136

Attention: Mario R. Moreno, Jr.

James M. & Mary Armstrong
c/o Wells Fargo OGM Operation - AU #10291
P.O. Box 5383
Denver, Colorado 80217

Avalanche Royalty Partners, LLC
Suite 1390
475 17th Street
Denver, Colorado 80202

Audrey M. Baker
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Midland, Texas 79702

BP America Production Co.
501 WestLake Park Boulevard
Houston, Texas 77079

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17 Woodruff Road
Edison, New Jersey 08820

Mike Copeland
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Jal, New Mexico 88252

William R. Dean
P.O. Box 1887
Eunice, New Mexico 88231

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Fort Worth, Texas 76102

George Elmer Goins
1107 Ponderosa
Hobbs, New Mexico 88240

M. Jerry Goins
Hardy Springs Circle
Apartment 816-C
McAlester, Oklahoma 74501

Penny L. Hardy Holcomb
1908 Berry Lake Drive
Brandon, Florida 33510

J.E. and L.E. Mabee Foundation
3000 Mid-Continent Tower
401 South Boston
Tulsa, Oklahoma 74103

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P.O. Box 268946
Oklahoma City, Oklahoma 73126

Attention: Leslie Hallmark

Betty Louise Pieper
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5200 Brittany Drive South
St. Petersburg, Florida 33715

Pamela Ann Quick
503 Somerstone Drive
Valrico, Florida 33594

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Lovington, New Mexico 88260

Burton Veteto
670 Abo
Hobbs, New Mexico 88240

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Midland, Texas 79702

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Okmulgee, Oklahoma 74447

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Paul J. Anderson
22105 Gull Lake Drive
Nisswa, Minnesota 56468