

6/5/00 | 6/26/00 | MS | KN | NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

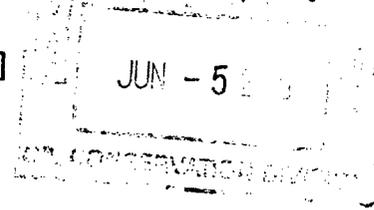
THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [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 - Directional Drilling [X] NSL [ ] NSP [ ] DD [ ] 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

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [X] 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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE P.O. BOX 1056 SANTA FE, NM 87504

Print or Type Name

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce Signature

Attorney for Applicant Title

6/5/00 Date

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

June 5, 2000

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Rule 104.F.(2), Arch Petroleum Inc. applies for administrative approval of four unorthodox oil well locations for the following wells, located in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico:

C.E. Lamunyon Well No. 73  
1510 feet FSL & 330 feet FWL  
NW $\frac{1}{4}$ SW $\frac{1}{4}$  §22

C.E. Lamunyon Well No. 74  
1310 feet FNL & 1515 feet FWL  
NE $\frac{1}{4}$ NW $\frac{1}{4}$  §27

↓  
C.E. Lamunyon Well No. 75  
10 feet FSD & 1505 feet FWL  
SE $\frac{1}{4}$ SW $\frac{1}{4}$  §22

C.E. Lamunyon Well No. 77  
1330 feet FSL & 1650 feet FWL  
NE $\frac{1}{4}$ SW $\frac{1}{4}$  §22

The wells will be drilled to test the McKee zone of the Teague (Simpson) Pool, which is an oil pool developed on statewide spacing. Form C-102s for the four wells are attached as Exhibits A, B, C, and D.

The proposed locations are based upon engineering and geological reasons. Attached as Exhibit E is a structure map of the McKee, with the proposed wells highlighted in red. The Teague (Simpson) Pool is an old producing pool, and there are a number of wells in

this area which have been plugged and abandoned, or were not productive.<sup>1</sup> The proposed wells are situated to be approximately equi-distant from the plugged and/or non-productive wells. The map also shows that the proposed locations maintain a high structural position, while remaining in the northwest-southeast trend of past and current McKee production. Applicant believes the wells will recover reserves which were not recovered by existing wells, and thus the locations are necessary to prevent waste.

Exhibit B also outlines the C.E. Lamunyon lease, which covers the S $\frac{1}{2}$  of Section 22 and the N $\frac{1}{2}$  of Section 27 (and other acreage). It is a single federal lease, with common working, royalty, and overriding royalty interests. Therefore, the proposed wells do not encroach on any offset owner, and notice of this application was not given to anyone.

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

Very truly yours,

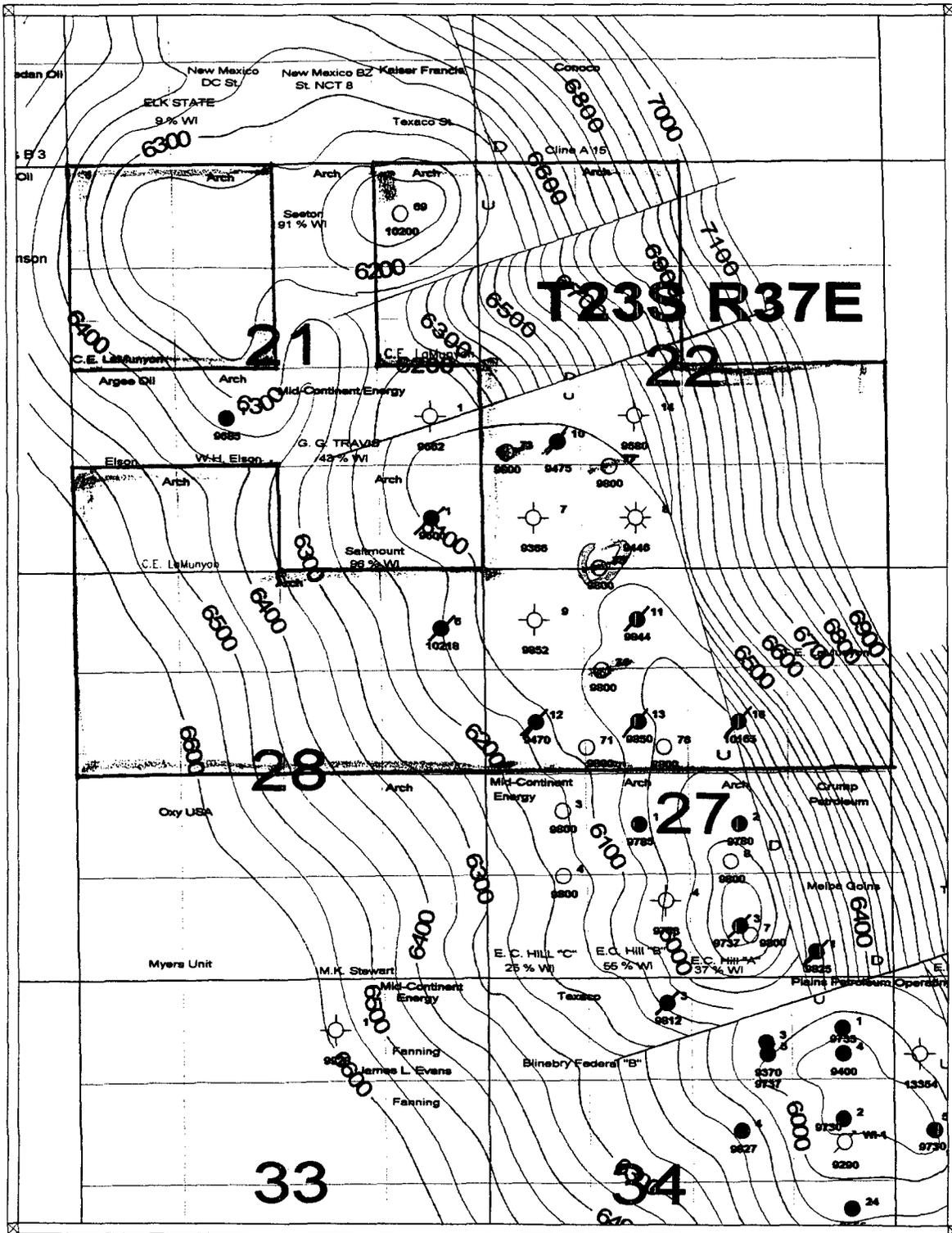


James Bruce

Attorney for Arch  
Petroleum Inc.

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<sup>1</sup>All wells on the map are proposed or existing Teague (Simpson) wells.



**LEGEND**  
 ○ NEW DRILL LOCATION  
 — ARCH LEASEHOLD

E

<b>ARCH PETROLEUM INC</b>		
<b>TEAGUE PROSPECT LEA COUNTY, NEW MEXICO MCKEE "C" STRUCTURE MAP</b>		
G CURRY	C=50 FEET	53000
WELLS >= 800'	1"=200'	TGMCKEEG.GPF

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

(Other instructions on reverse side)

OMB NO. 1004-0136  
Expires: February 28, 1995

**APPLICATION FOR PERMIT TO DRILL OR DEEPE**

1a. TYPE OF WORK  
 DRILL  DEEPE

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 ARCH PETROLEUM, INC. (RICHARD WRIGHT 915-685-8140)

3. ADDRESS AND TELEPHONE NO.  
 P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (915-685-8100)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface  
 10' FSL & 1505' FWL SEC. 22 T23S-R37E LEA CO. NM  
 At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE  
 Approximately 10 miles Southeast of Eunice New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1505

16. NO. OF ACRES IN LEASE 1520

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. 80'

19. PROPOSED DEPTH 9800'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3288' GR.

22. APPROX. DATE WORK WILL START WHEN APPROVED

5. LEASE DESIGNATION AND SERIAL NO.  
 LC-030187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.  
 C.E. LaMUNYON # 75

9. AN WELL NO.

10. FIELD AND POOL, OR WILDCAT  
 TEAGUE-SIMPSON

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA  
 SEC. 22 T23S-R37E

12. COUNTY OR PARISH 13. STATE  
 LEA CO. NEW MEXICO

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix
17 1/2"	H-40 13 3/8"	48	500'	600 Sx. Circulate to surface.
11"	J-55 8 5/8"	32 & 24	3000'	1200 Sx. Circulate to surface.
7 7/8"	N-80 5 1/2"	17	9800'	1150 Sx. Top cement 2500'±

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 500'. Run and set 500' of 13 3/8" H-40 48# ST&C casing. Cement with 600 of Class "C" cement + additives, circulate cement to surface.
3. Drill 11" hole to 3000'. Run and set 3000' of 8 5/8" J-55 32 & 24 # ST&C casing. Cement with 1200 Sx. of Class "C" cement + additives, circulate cement to surface. 800' of 32# 2200' of 24#.
4. Drill 7 7/8" hole to 9800'. Run and set 9800' of 5 1/2" casing as follows: 2800' of 17# N-80 LT&C, 6000' of 17# J-55 LT&C, 1000' of 17# N-80 LT&C casing. Cement in two stages with DV tool at 5500'±. Cement with 1150 Sx. of Class "H" cement + additives, estimate top of cement 2500' from surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

SIGNED Joel Jonica TITLE Agent DATE 05/24/00

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights it would entitle the applicant to conduct operations thereon.

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 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

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code 58900	Pool Name Teague Simpson
Property Code 14908	Property Name C. E. Lamunyon	Well Number 75
OGRID No. 000962	Operator Name Arch Petroleum Inc.	Elevation 3288

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
N	22	23S	37E		10	South	1505	West	Lea

**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

Dedicated Acres 40	Joint or Infill	Consolidation Code	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**

<p>16</p> <p>----- 1505' -----</p>					<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Cathy Tomberlin</i></p> <p>Signature Cathy Tomberlin</p> <p>Printed Name Operation Tech</p> <p>Title 06/05/00</p> <p>Date</p>
					<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>
					<p>Certificate Number</p>

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

06/16/00 11:03:51  
OGOMES -TPVI  
PAGE NO: 1

Sec : 22 Twp : 23S Rng : 37E Section Type : NORMAL

D 40.00  Federal owned  A A A	C 40.00  Federal owned  A	B 40.00  Federal owned	A 40.00  Federal owned
E 40.00  Federal owned  A A A A	F 40.00  Federal owned  A A	G 40.00  Federal owned  A	H 40.00  Federal owned

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

06/16/00 11:04:05  
OGOMES -TPVI  
PAGE NO: 2

Sec : 22 Twp : 23S Rng : 37E Section Type : NORMAL

L 40.00  Federal owned  A A	K 40.00  Federal owned  A A A	J 40.00  Federal owned  A	I 40.00  Federal owned
M 40.00  Federal owned  A A A	N 40.00  Federal owned  A A A	O 40.00  Federal owned  A A	P 40.00  Federal owned

PF01 HELP    PF02    PF03 EXIT    PF04 GoTo    PF05    PF06  
PF07 BKWD    PF08 FWD    PF09 PRINT    PF10 SDIV    PF11    PF12

COUNTY *Lea*

POOL *Teague*

*(Sim)*

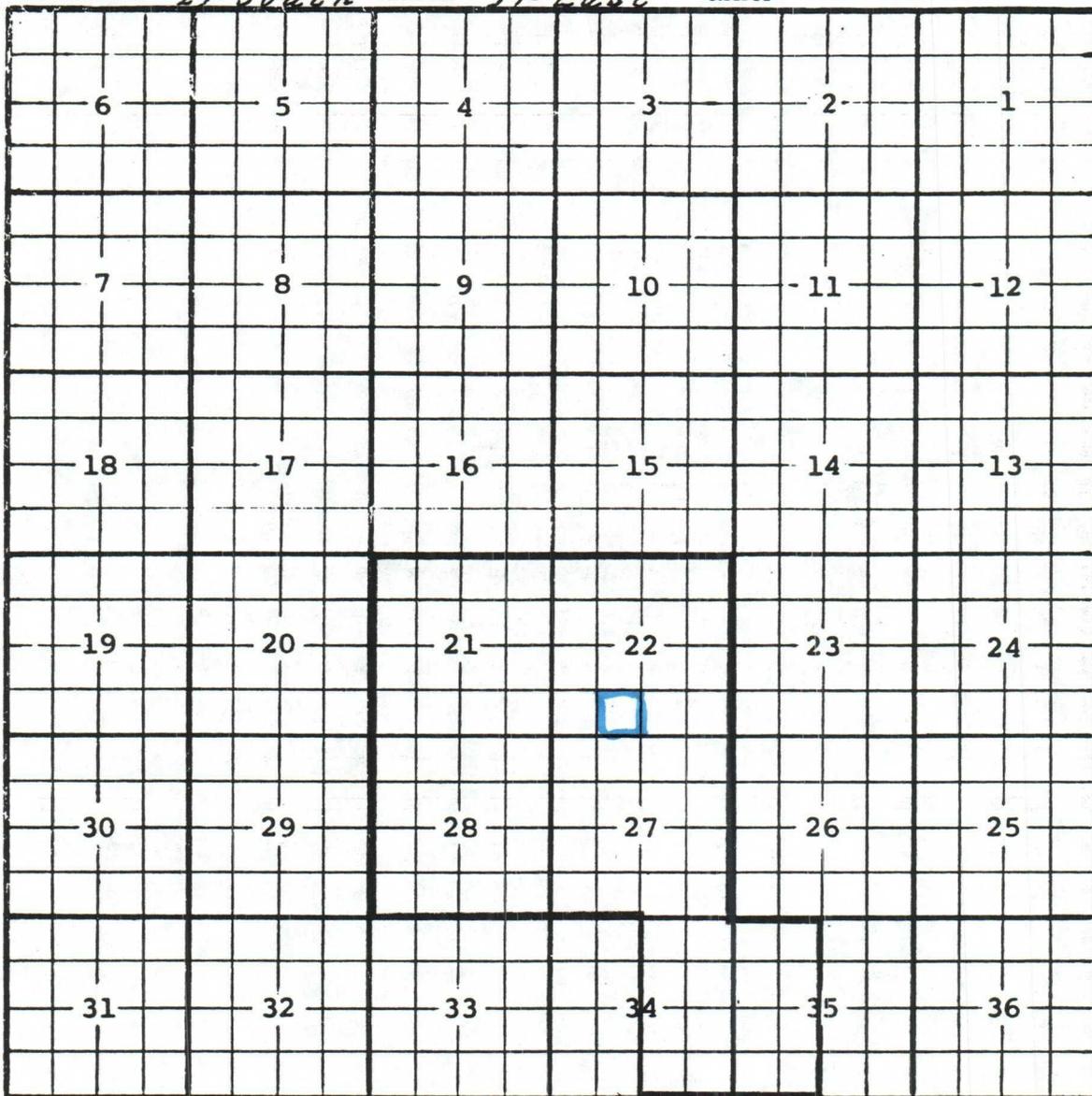
TOWNSHIP

*23-South*

RANGE

*37-East*

NMPM



*Description: All Secs. 21, 22, 27, & 28. -  $\frac{E}{2}$  Sec. 34;  $\frac{W}{2}$  Sec. 35, (R-197, 10-20-52).*