

P.O. Box 10340, Midland, TX 79702 (915) 685-8126. fax (915)685-8151

**ARCH PETROLEUM
INC.**

Fax

To: Michael E. Stogner-OCD**From:** Garland H. Lang III**Fax:** 505-827-8177**Pages:** 4 (including cover page)**Phone:****Date:** 07/19/00**Re:** C. E. LaMunyon 71Y Well**CC:** **Urgent** **For Review** **Please Comment** **Please Reply** **Please Recycle****● Comments:**

Michael,

Please find attached a request for Amended Order NSL-4467. Please review and let us know as soon as possible if the amended NSL is approved.

Thank you for your help.



Via Fax and U.S. Mail

July 19, 2000

Arch Petroleum Inc.

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

Re: Request to Amend Administrative Order NSL-4467
Arch Petroleum Inc.
C. E. LaMunyon Well No. 71
SW/4 NW/4 (Unit E) of Section 27, T-25-S, R-37-E,
N.M.P.M., Lea County, New Mexico

Dear Mr. Stogner:

The location for the captioned well was approved by Order NSL-4467. Arch commenced the well but encountered downhole problems at 7,417 feet, necessitating moving the well 5 feet to the north and 30 feet to the west of the original location. As a result, Arch Petroleum Inc. ("Arch") respectfully requests unorthodox location approval for its C. E. LaMunyon Well No. 71-Y, at a location 2,305 feet FNL and 1,280 feet FWL of Section 27.

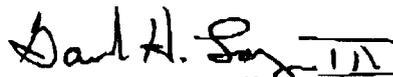
Enclosed for your review is a Form C-102 (Plat) of the new location and a copy of the Sundry Notice filed with the Bureau of Land Management.

Arch has a drilling rig on location; therefore, Arch requests a verbal approval of the unorthodox location so it may commence drilling. Notice is not required to be given anyone due to common mineral ownership in the N/2 of Section 27.

Thank you for your valuable help in this matter and if you require any further information please contact me at (915) 685-8126.

Yours very truly,

ARCH PETROLEUM INC.


Garland H. Lang III
Consulting Landman

Attachments

cc: NMOCD-Hobbs, N.M.

DISTRICT I
P.O. Box 1000, Dallas, TX 75201-1000

DISTRICT II
P.O. Drawer 90, Arisco, NM 87011-0710

DISTRICT III
1000 Rio Grande Rd., Arisco, NM 87410

DISTRICT IV
P.O. Box 9000, Santa Fe, N.M. 87504-2000

State of New Mexico
Energy, Minerals and Natural Resources Department

Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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 71Y
OWSIS No. 000962	Operator Name ARCH PETROLEUM, INC.	Elevation 3288

Surface Location

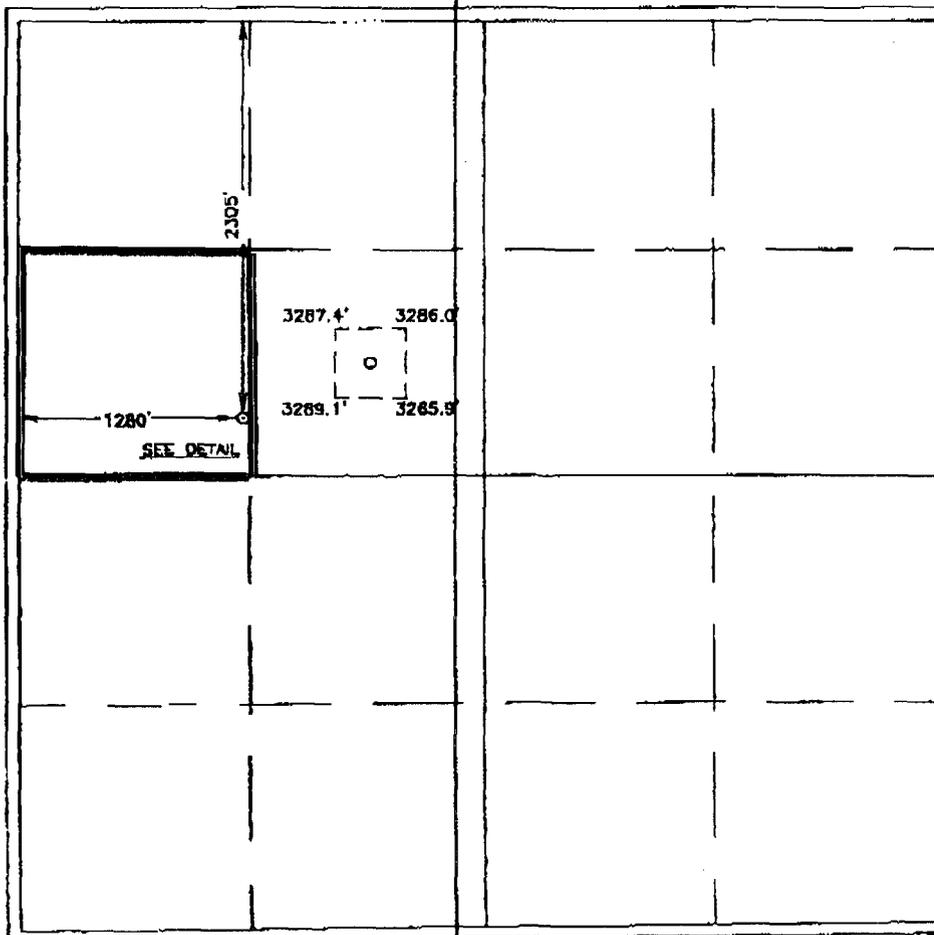
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	27	23 S	37E		2305	NORTH	1280	WEST	LEA

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



OPERATOR CERTIFICATION

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

Cathy Tomberlin
Signature

Cathy Tomberlin
Printed Name

Operation Tech
Title

07/18/00
Date

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.

JULY 17, 2000

Date Surveyed

Ronald E. Gibson
Signature

PROFESSIONAL SURVEYOR
NEW MEXICO
7/18/00
60-11-0286

RONALD E. GIBSON 3239
CATHY TOMBERLIN 12841
DONALD W. McDONALD 12186

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
5. Lease Designation and Serial No.
LC-030187

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

8. Well Name and No.

C. E. Lamunyon #71Y

9. API Well No.

10. Field and Pool, or Exploratory Area

Teague Simpson

11. County or Parish, State

Lea County

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Arch Petroleum Inc.

3. Address and Telephone No.

P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2305' FNL & 1280' FWL, SECTION 27, T23S, R37E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Drill replacement well

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The above captioned well is to be drilled as a replacement well for the C. E. Lamunyon #71 which was lost due to mechanical failure. We will not incorporate any more surface location than what has been previously ARCH cleared. In order to prevent the mechanical problems from reoccurring in the replacement well, the tubular/hole sizes have been adjusted as follows:

1. Surface casing will be 13-3/8" 48# H-40 ST&C set in 17-1/2" hole drilled to 1050'. Casing is to be cemented to surface.
2. Intermediate casing will be changed to 9-5/8" 43.5# J-55 LT&C set in 12-1/4" hole drilled to 3000'. Casing is to be cemented to surface.
3. Production casing will be 5-1/2" 17# J-55 & N-80 LT&C set in 8-1/2" hole drilled to 9800'. Casing will be cemented to ±2000' using 2 stage tools @ ±7000' & ±4000'.

NOTE: If chronic lost returns occur in the Devonian formation, a 7" contingency string will be set and cement ±7500'. We will then drill a 6-1/8" hole to total depth of ±9800' where we will set & cement a 5" 18# J-55 FL4S liner.

14. I hereby certify that the foregoing is true and correct

Signed

Title Operation Tech

Date 07/18/00

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any.

Title _____

Date _____

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.

*See Instruction on Reverse Side

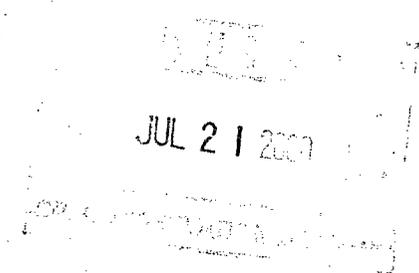


Via Fax and U.S. Mail

Arch Petroleum Inc.

July 19, 2000

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



Re: Request to Amend Administrative Order NSL-4467
Arch Petroleum Inc.
C. E. LaMunyon Well No. 71
SW/4 NW/4 (Unit E) of Section 27, T-25-S, R-37-E,
N.M.P.M., Lea County, New Mexico

Dear Mr. Stogner:

The location for the captioned well was approved by Order NSL-4467. Arch commenced the well but encountered downhole problems at 7,417 feet, necessitating moving the well 5 feet to the north and 30 feet to the west of the original location. As a result, Arch Petroleum Inc. ("Arch") respectfully requests unorthodox location approval for its C. E. LaMunyon Well No. 71-Y, at a location 2,305 feet FNL and 1,280 feet FWL of Section 27.

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Thank you for your valuable help in this matter and if you require any further information please contact me at (915) 685-8126.

Yours very truly,

ARCH PETROLEUM INC.

Garland H. Lang III
Consulting Landman

Attachments

cc: NMOCD-Hobbs, N.M.

DISTRICT I
P.O. Box 1000, Hobbs, NM 58041-1000

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0710

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	58900	Teague Simpson
Property Code	Property Name	Well Number
14908	C.E. LAMUNYON	71Y
OGRID No.	Operator Name	Elevation
000962	ARCH PETROLEUM, INC.	3288

Surface Location

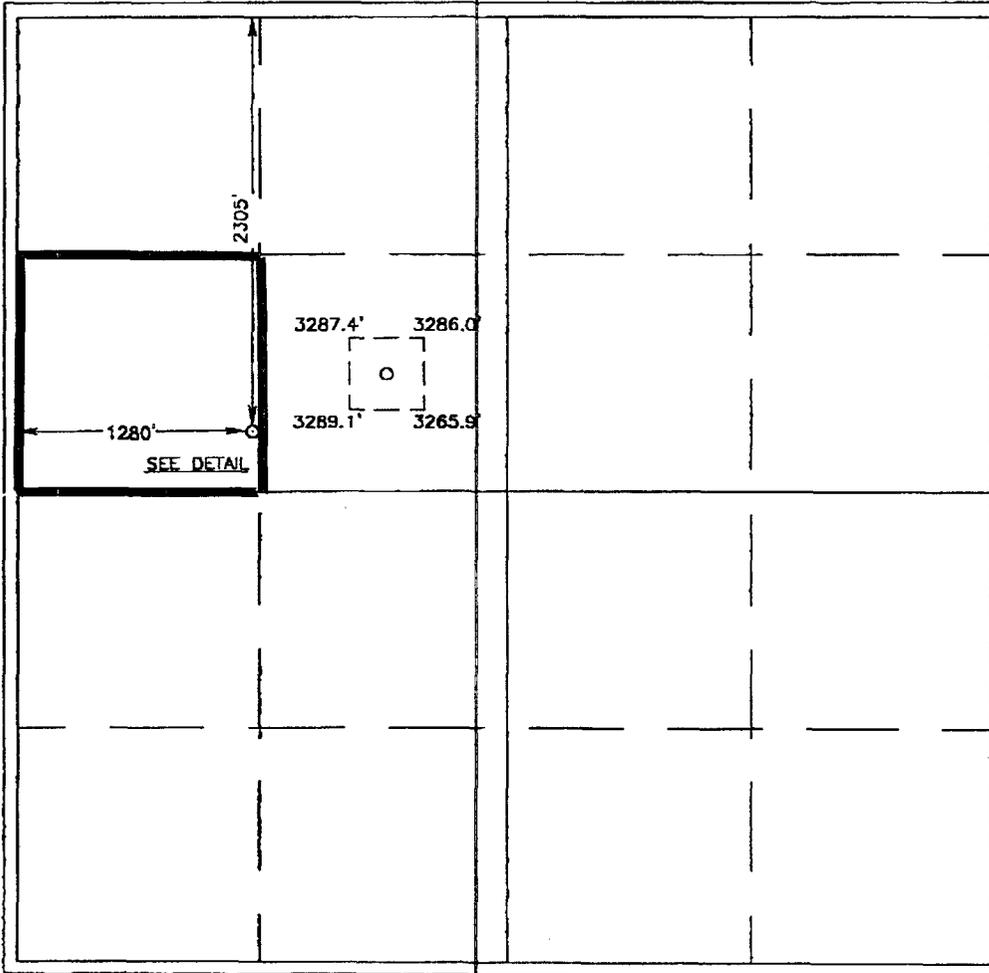
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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OPERATOR CERTIFICATION

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

Cathy Tomberlin
Signature

Cathy Tomberlin
Printed Name

Operation Tech
Title

07/18/00
Date

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.

JULY 17, 2000
Date Surveyed

LMP

Signature & Seal of Professional Surveyor
Ronald E. Edson

NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
7/18/00

Certificate No. RONALD E. EDSON 3239
CARY EDSON 12641
RONALD E. EDSON 12185

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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LC-030187

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7. If Unit or CA, Agreement Designation

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C. E. Lamunyon #71Y

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2. Name of Operator

Arch Petroleum Inc.

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P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100

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Signed Cathy Tombal

Title Operation Tech

Date 07/18/00

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

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.

*See Instruction on Reverse Side



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

June 15, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Arch Petroleum, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4467

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Arch Petroleum, Inc. ("Arch"), submitted to the New Mexico Oil Conservation Division ("Division") on May 26, 2000; and (ii) the Division's records in Santa Fe, including the file in Division Administrative Order NSL-4449: all concerning Arch's request to drill its proposed C. E. Lamunyon Well No. 71 at an unorthodox oil well location within the Teague-Simpson Pool 2310 feet from the North line and 1310 feet from the West line (Unit E) of Section 27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

The SW/4 NW/4 (Unit E) of Section 27 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is the Division's understanding that the NW/4 and the S/2 of Section 22 and the N/2 of Section 27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico is a single Federal lease (United States Government Lease No. LC-030187) in which Arch is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than Arch. It is further understood that the proposed location is of eqidistance between two previously producing Teague-Simpson oil wells in the SW/4 NW/4 (Unit E) of Section 27 and the SE/4 NW/4 (Unit F) of Section 27 [(i) Arch's C. E. Lamunyon Well No. 12 (API No. 30-025-10856) located at a standard oil well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 27; and (ii) the plugged and abandoned Chevron U.S.A., Inc.'s C. E. Lamunyon Well No. 13 (API No. 30-025-10857), located at a standard oil well location 1980 feet from the North and West lines (Unit F) of Section 27].

The proposed C. E. Lamunyon Well No. 71 is at the optimum location to test for remaining oil reserves within these two standard 40-acre tracts that comprise the S/2 NW/4 of Section 27, and, if successful, will allow the operator to drain production from the lease that

Administrative Order NSL-4467

Arch Petroleum, Inc.

June 15, 2000

Page 2

would not otherwise be drained, thereby preventing waste.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSL-4449

CMD : ONGARD 07/19/00 15:40:49
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPWE

OGRID Idn : 962 API Well No: 30 25 35058 APD Status(A/C/P): A
Opr Name, Addr: ARCH PETROLEUM INC Aprvl/Cncl Date : 05-04-2000
PO BOX 10340
MIDLAND, TX 79702-7340

Prop Idn: 14898 C E LAMUNYON Well No: 71

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn :	E	27	23S	37E		FTG 2310 F N	FTG 1310 F W
OCD U/L :	E		API County :	25			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3288

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 9800 Prpsd Frmtn : SIMPSON

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12