

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 _____**

MAY - 9 2003

[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.

Cathy Tomberlin *Cathy Tomberlin* Sr. Operation Tech 05/05/03
 Print or Type Name Signature Title Date

*EMAILED asking for
 SUMMARY and Landman Statement
 5/12/03*

tomberli@pogoproducting.com
 e-mail Address

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name L. I. Baker
Well No.
Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 OIL WELL GAS WELL OTHER

2. Name of Operator
Arch Petroleum Inc.

3. Address of Operator
P. O. Box 10340, Midland, TX 79702-7340

4. Well Location
 Unit Letter _____ : _____ Feet From The _____ Line and _____ Feet From The _____ Line
 Section _____ Township _____ Range _____ NMPM _____ County _____

5. Elevation (Show whether DF, RKB, RT, GR, etc.)

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Pool Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Arch Petroleum Inc. request permission to pool commingle oil and gas production from the L. I. Baker #5 and L. I. Baker #1 and #2 wells.

The L. I. Baker #5 well is producing from the Eunice San Andres SW pool and the L. I. Baker #1 and #2 wells are producing from the Penrose Skelly Grayburg pool.

✓ Oil & gas production will be allocated based on well tests.

PC-1092 approved 7/21/03 in Santa Fe

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

SIGNATURE Cathy Tomberlin TITLE Sr. Operation Tech DATE 05/14/03

TYPE OR PRINT NAME Cathy Tomberlin 915-685-8100 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



May 5, 2003

Arch Petroleum Inc.

RECEIVED

MAY 09 2003

OIL CONSERVATION
DIVISION

New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

Re: Surface Commingling of Oil & Gas
L. I. Baker #5 Well and L. I. Baker #1 & #2 Wells

Gentlemen:

Arch Petroleum Inc. hereby requests administrative approval for Pool Commingling of oil and gas production from the L. I. Baker #5 and L. I. Baker #1 and #2 wells. These three wells are located on the same lease and have the same ownership.

(30-025-36105)

(30-025-10054)
10055

Production from the L. I. Baker #5 well will be commingled at the L. I. Baker #1 battery. The L. I. Baker #5 is producing in the Eunice San Andres SW pool and the L. I. Baker #1 and #2 wells are producing in the Penrose Skelly Grayburg pool. Oil & gas production will be allocated based on well tests.

The common tank battery and sales meter for the L. I. Baker #5 and L. I. Baker #1 and #2 wells is located in Unit Ltr: P, Section 5, T-22S, R-37E in Lea County, New Mexico. The three referenced wells and the lease boundary are depicted on Attachment I.

The purpose of the Pool Commingling is to reduce facility and operating costs, thereby increasing the economic life of the wells.

No notification letter was sent since Arch is 100% interest owner in the above lease/wells.

Thank you for your cooperation in this matter. If you have any questions, please feel free to contact me at (915) 685-8100.

Sincerely,

Cathy Tomberlin
Sr. Operation Tech

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name L. I. BAKER	Well Number 5
OGRID No.	Operator Name ARCH PETROLEUM, INC.	Elevation 3427'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	5	22-S	37-E		2310	SOUTH	990	EAST	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	Joint or Infill	Consolidation Code	Order No.						

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

4	3	2	1
40.28 AC.	40.18 AC.	40.09 AC.	39.99 AC.
		<p>L. I. Baker #5</p> <p>990'</p> <p>660'</p>	
		<p>GEODETIC COORDINATES NAD 27 NME Y = 518381.6 X = 856107.2 LAT. 32°25'11.49"N LONG. 103°10'45.57"W</p> <p>L. I. Baker #2</p>	
		<p>L. I. Baker #1</p> <p>2310'</p> <p>1980'</p> <p>660'</p>	

OPERATOR CERTIFICATION

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

Signature _____

Cathy Tomberlin
Printed Name

Sr. Operation Tech
Title

05/05/03
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.

JANUARY 13, 2003
Date Surveyed

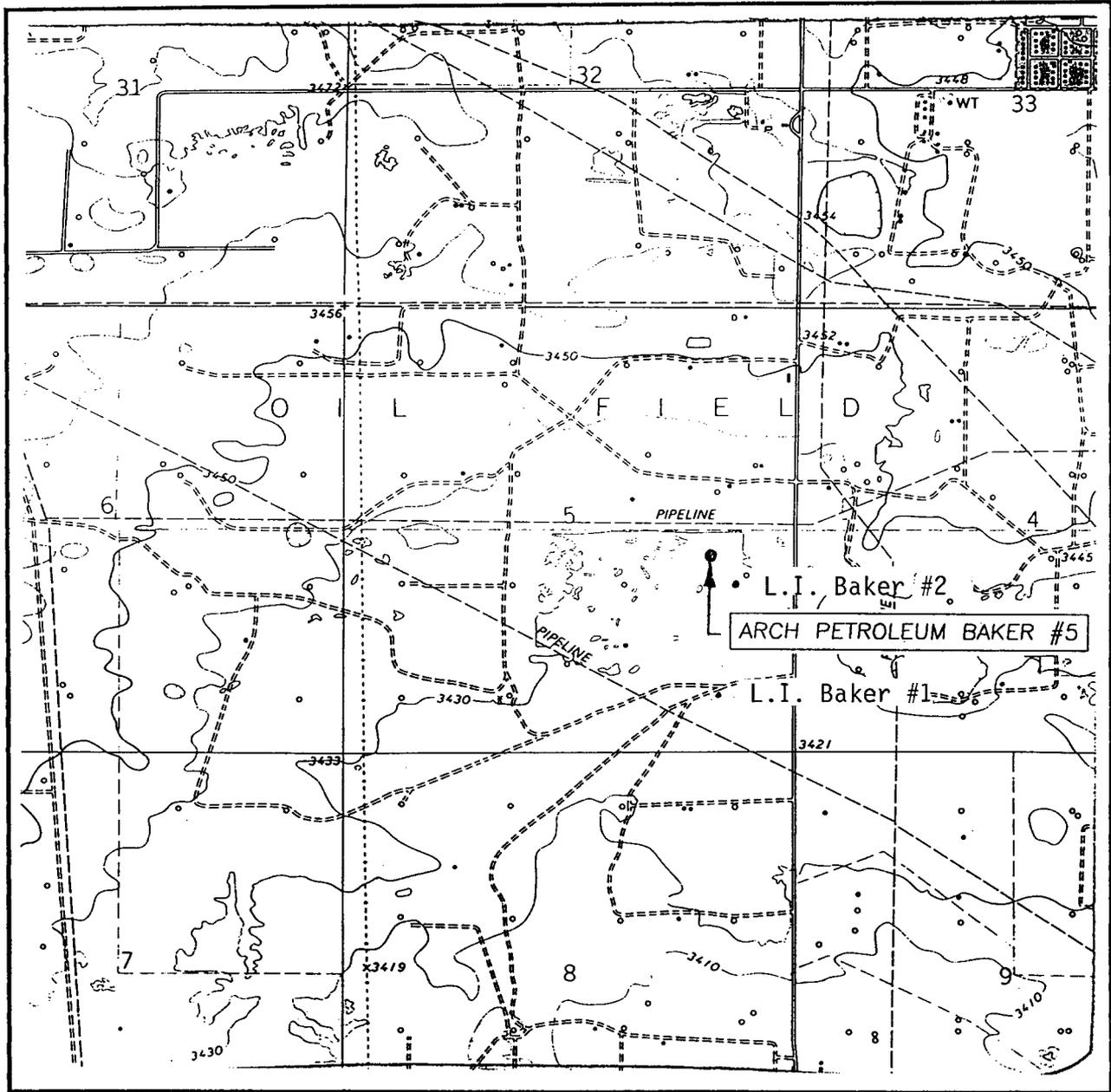
Signature & Seal of Professional Surveyor _____ L.A.

Ronald J. Eidson
Professional Surveyor

03.11.0036

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
EUNICE, N.M.

SEC. 5 TWP. 22-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2310' FSL & 990' FEL

ELEVATION 3427'

OPERATOR ARCH PETROLEUM, INC.

LEASE BAKER

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

POGO PRODUCING CO.
MIDLAND WORKING ACCOUNT
P. O. BOX 10340 915-685-8100
MIDLAND, TX 79702-7340

6341

32-1/1110 TX
0

DATE May 7, 2003 \$

PAY TO THE ORDER OF State of New Mexico Commissioner of Public Lands \$ 30.00

---Thirty and no/100--- DOLLARS

Security features are included on this check

THIS CHECK IS DELIVERED IN CONNECTION WITH THE FOLLOWING ACCOUNTS

Surface Commingling Permit	
L I Baker #5 / L I Baker #1 / #2	

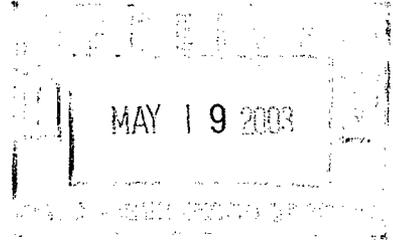
Betty J Thompson

⑈006341⑈ ⑆111000012⑆ 375 047 5199⑈

MP



Arch Petroleum Inc.



**ARCH PETROLEUM INC.
L. I. BAKER LEASE
E/2 OF THE SE/4 OF
SEC. 5, T-22-S, R-37-E, N.M.P.M.
LEA COUNTY, NEW MEXICO**

STATEMENT OF OWNERSHIP

THIS STATEMENT has been prepared as evidence that I, Thomas R. Land, CPL, Midland, Texas, has reviewed the title files covering Arch Petroleum Inc.'s L. I. Baker Lease.

THAT SAID files indicate the common and identical ownership of interest in all of the E/2 of the SE/4 of Section 5, Township 22-South, Range 37-East, N. M. P. M., Lea County, New Mexico.

CERTIFICATION: - I hereby certify that the statements made in this document are to the best of my knowledge, true and correct.

NAME: Thomas R. Land, CPL

DATE: May 13, 2003

TITLE: Consulting Landman

Work Groups Land and Prospects Teague OLM-Statement Of Ownership-LI Baker Lease.doc
P.O. BOX 10340 MIDLAND, TEXAS 79702 (915) 685-8100