

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

2005 NOV 28 PM 2 31

James Bruce
 Attorney for Arch Petroleum Inc.

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

November 26, 2005

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

Dear Mr. Stogner:

Arch Petroleum Inc. applies for an exception to Rule 2(A) of the Special Rules for the Jalmat Gas Pool to allow a 160 acre non-standard gas spacing unit for the following well:

Well:	Lamunyon "A" Federal Well No. 1
Well Location:	660 feet FNL & 1980 feet FWL
Well Unit:	NW¼ §22-23S-37E, Lea county, New Mexico

The Lamunyon "A" Federal Well No. 1 was drilled in 1959 to test the Langlie-Mattix Pool. Applicant proposes to plug back the well to test the Jalmat Gas Pool. Attached as Exhibit A is a plat showing that production from the Jalmat Gas Pool, until recently, was substantially to the west of the proposed well unit. Wells have now been completed in the NE¼ of Section 20 and N½ of Section 28 indicating that the Jalmat Gas Pool may be productive at the location of the Lamunyon "A" Federal Well No. 1. This application will prevent waste by utilizing an existing wellbore, and will not violate correlative rights.

Attached as Exhibit B are land plats. The offset operators or interest owners are as follows:

Section 15

SW¼
Arch Petroleum (Existing non-standard Jalmat Unit)

N½ and SE¼
Apache
Kaiser-Francis
Chevron Texaco

Section 16

ConocoPhillips
Chance Properties
Burgundy Oil
McDonnold

Section 22

NE $\frac{1}{4}$
Cameron
Apache
Chisos
Pure Energy
Edge Petroleum
BP America
Chevron Texaco
ConocoPhillips

S $\frac{1}{2}$
Arch Petroleum (same federal lease as NW $\frac{1}{4}$ §22)

Section 21

E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$
Arch Petroleum (same federal lease as NW $\frac{1}{4}$ §22)

N $\frac{1}{2}$ SE $\frac{1}{4}$
Petrohawk

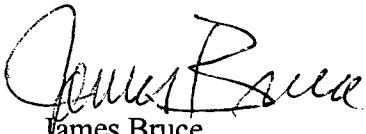
W $\frac{1}{2}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$
Arch Petroleum (fee royalty owners notified)

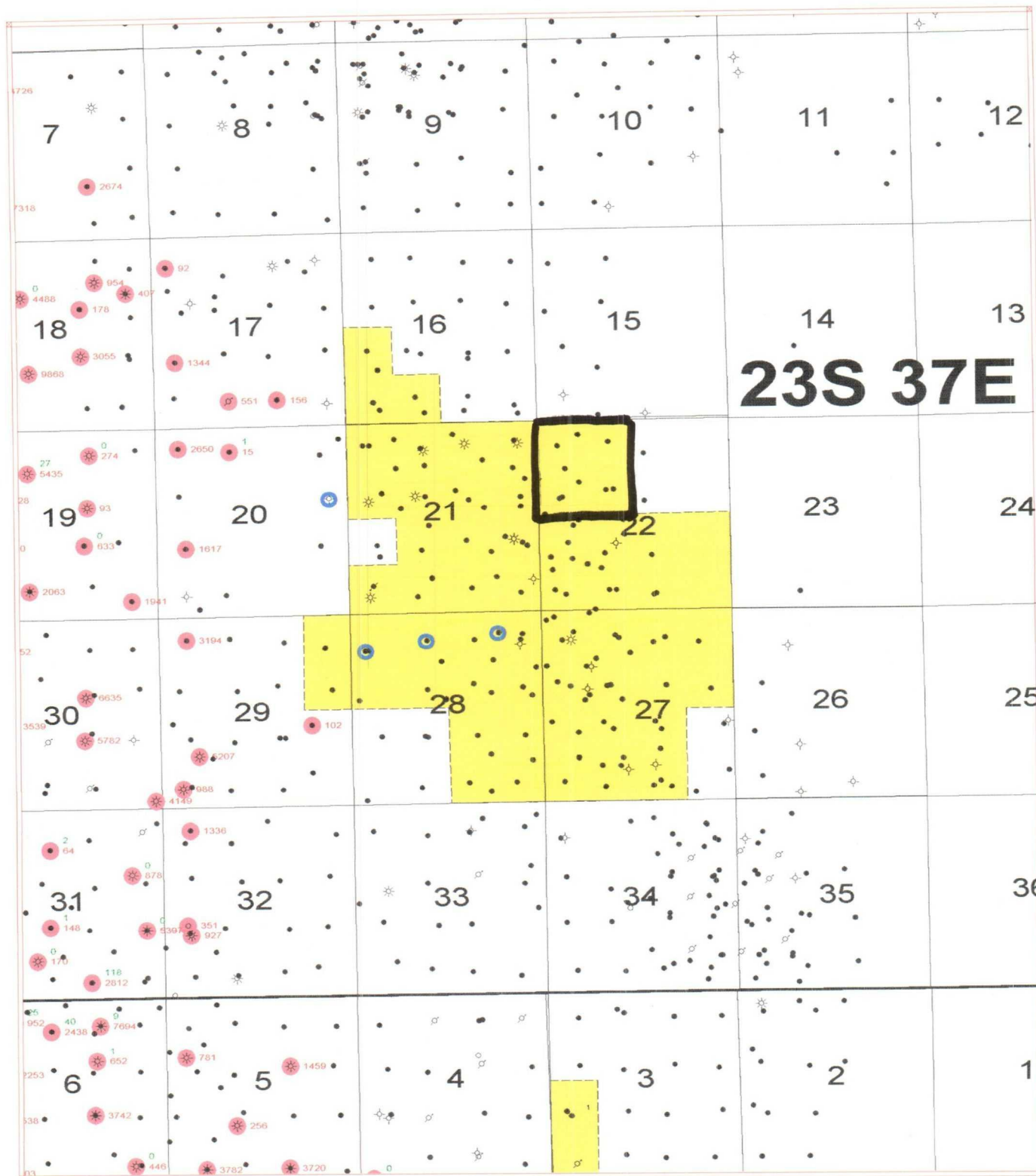
N $\frac{1}{2}$ SW $\frac{1}{4}$
No operator (All leased and unleased mineral owners notified)

The offset interest owners have been notified of this application. A copy of the notice letter is attached hereto as Exhibit C.

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

Very truly yours,


James Bruce
Attorney for Arch Petroleum Inc.



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



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	:
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	:
Range	:	37 E	Spot	:
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: #78 C.E. Lamunyon

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

Well 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 Dn Press	Orif Size
		Hrs		bbl	bbl	mscf	mscf	%	mscf/bbl	F	psig	in H ₂ O	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: #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		bbbl	bbbl	mscf	mscf	%	mscf/bbl	F	psia	in H ₂ O	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

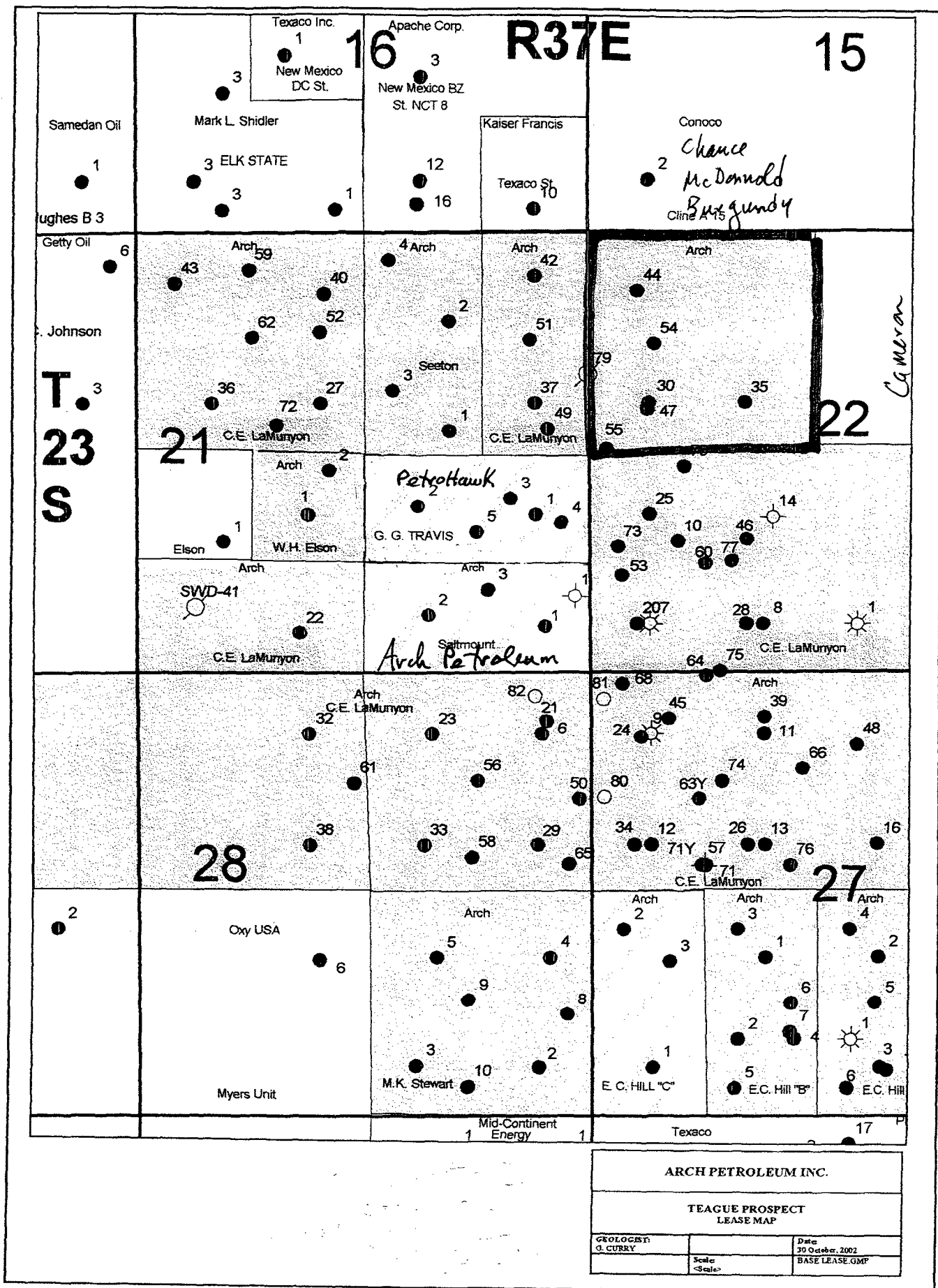
Well: #32 C. E. Lamunyon

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 Tpt Gas Lift	Calc Water Cut	GOR	Gas Temp	Gas Press	Gas Diff Press	Orif Size
		hrs		bbl	bbl	mscf	mscf	%	mscf/bbl	F	psig	in H ₂ O	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	-?	-?	-?	-?

[illegible]



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

jamesbruce@aol.com

November 26, 2005

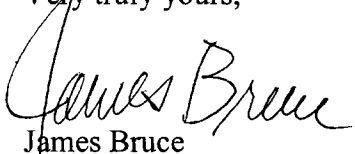
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Operators or mineral interest owners offsetting the NW¼ §22-23S-37E, NMPM, Lea County, New Mexico

Ladies and gentlemen:

Enclosed is a copy of an application to approve a non-standard gas spacing and proration unit in the Jalmat Gas Pool, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the above 160 acres of land. If you object to the application, you must notify the Division, in writing, within 20 days from the date of this letter, at the Division's offices at 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.



OFFSET INTEREST OWNERS

BP America Production Company
P.O. Box 3092
Houston, Texas 77253

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121

ChevronTexaco
15 Smith Road
Midland, TX 79705

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

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 F. 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

Edge Petroleum Corporation
Suite 2000
1301 Travis
Houston, Texas 77002

Attention: R. Keith Turner

Burgundy Oil & Gas of NM, Inc.
Suite 1003
401 West Texas
Midland, Texas 79701

Chance Properties Company
1008 West Broadway
Hobbs, NM 88240

McDonnold Operating, Inc.
Suite 204
505 North Big Spring
Midland, Texas 79701

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

Nomarth Corporation
404 Hilda Street
East Meadow, New York 11554

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

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

PetroHawk Operating Company
Suite 4400
1100 Louisiana
Houston, Texas 77002

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252

Attention: Linda Hicks

Cameron Oil & Gas Inc.
P.O. Box 1456
Roswell, New Mexico 88202

COUNTY LeaPOOL Jalmat Gas

(T-Y-SR)

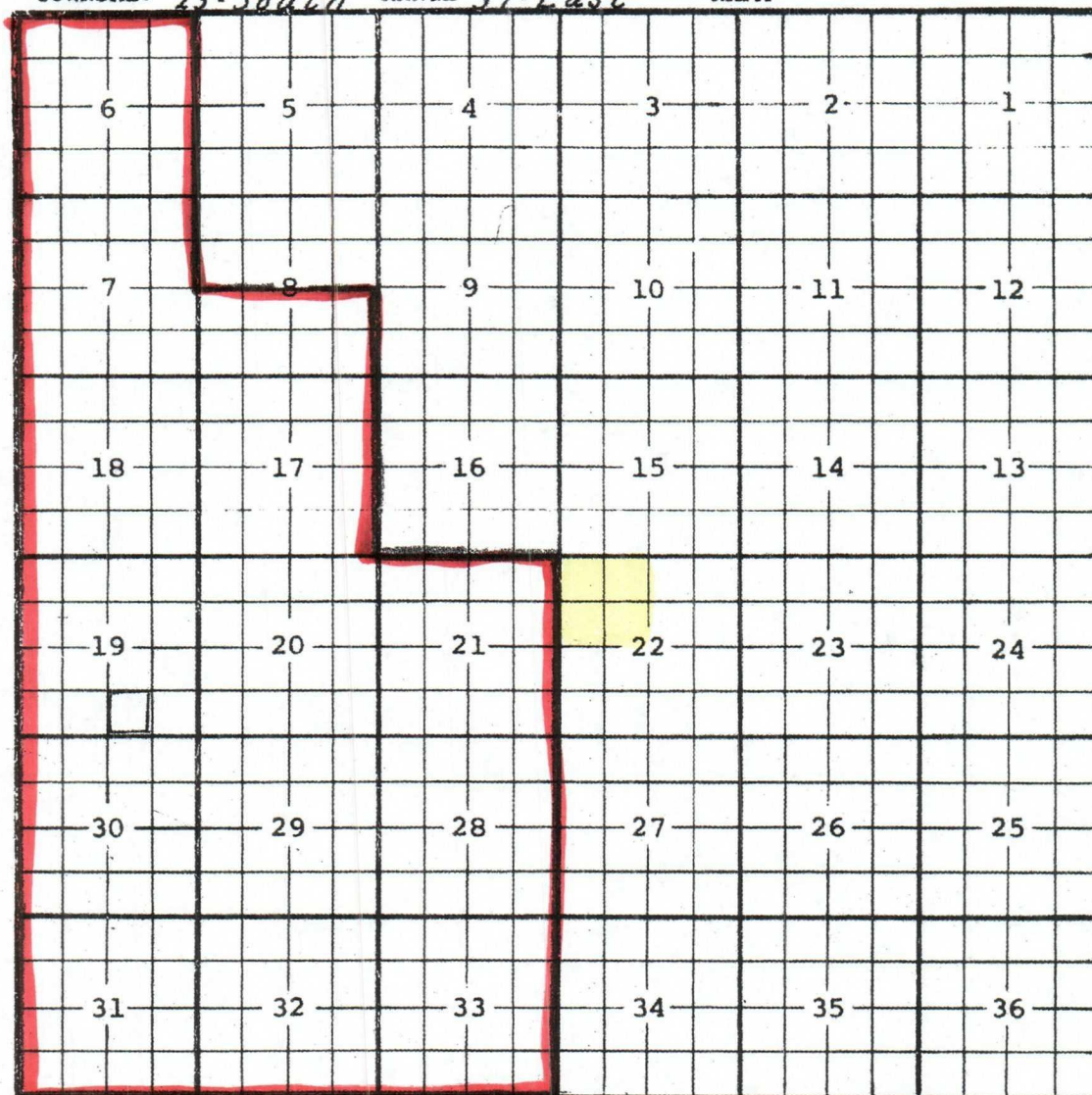
TOWNSHIP

23-South

RANGE

37-East

NMPM



Description: All Secs. 6 & 7; $\frac{1}{2}$ Sec. 8; All Secs. 17 thru 21;
All Secs. 28 thru 33, (R-520, 8-12-54).

Contract vertical limits to a subsurface depth of 3362 feet $\frac{50}{4}$ $\frac{55}{4}$ Sec. 19
(A-6618, 3-6-81)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

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

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

SUBMIT IN TRIPLICATE

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 432-685-8100

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

660' FNL & 1980' FWL, Section 22, T23S, R37E

5. Lease Designation and Serial No.
NMLC-030187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Lamunyon "A" Federal #1

9. API Well No.

30-025-10832

10. Field and Pool, or Exploratory Area

Langlie Mattix SR-Q-GB

11. County or Parish, State

Lea County, NM

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

☐ 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.)

Arch Petroleum Inc. respectfully request permission to plug back from the Langlie-Mattix to the Jalmat in the above captioned.
Procedure is as follows:

1. POH w/ rods, pump & tbg.
2. Set CIBP @ 3470' and test csg to 500 psi. Run CBL.
3. Perf Jalmat w/ 1 spf 2617, 40, 61, 77, 2679, 92, 2714, 16, 43, 83, 2818, 37, 2854, 57, 78, 2916, 54, 88, 3062, 3134, 85, 3224 & 3249.
4. Acidz Jalmat perms w/ 2000 gals 15% acid.
5. Swab test.
6. Frac as directed.
7. Swab.
8. TIH w/ production tbg, Run rods & pump
9. Test well.

APPROVED FOR 3 MONTH PERIOD
ENDING 8/30/04

APPROVED

APR 3 2004

GARY GOURLEY
PETROLEUM ENGINEER

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

Signed Cathy Wright

Title Sr. Operation Tech

Date 04/29/04

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

KZ

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