

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:

- 1765
- [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]

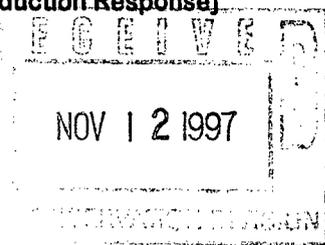
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [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 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 understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

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

Robin S. McCarley
 Print or Type Name

Robin S. McCarley
 Signature

Technical Assistant
 Title

11/07/97
 Date



Arch Petroleum Inc.

November 7, 1997

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505-6429

Re: C. D. Woolworth Lease, Well #10
Unit J, Section 30-T24S, R37E
Lea County, New Mexico

Gentlemen:

Your administrative approval is requested for an exception to Rule 303-C to permit down-hole commingling of Jalmat Yates Seven Rivers and Langlie Mattix Seven Rivers Queen production in the subject well.

Please find enclosed all pertinent data regarding this application as outlined in Rule No. 303-C.

Sincerely,


Robin S. McCarley
Technical Assistant

Enclosures

cc: State of New Mexico
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240-1980

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

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease C. D. Woolworth Well No. 10 Unit Ltr. - Sec - Twp - Rge J 39 24S 37E County Lea

OGRID NO. 000962 Property Code 014899 API NO. 30-025-33881 Spacing Unit Lease Types: (check 1 or more)
Federal ___ State ___ (and/or) Fee

The following facts are submitted in support of downhole commingling?	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	(33820) Jalmat Tansill		(37240) Langlie Mattix
2. Top and Bottom of Pay Section (Perforations)	3198-3376		3502-3658
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1400	a.	a. 1430
	b. (Original)	b.	b.
6. Oil Gravity (°API) or Gas BTU Content	35.6		26.5
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 11/05/97 Rates: 2 BO 100 MCF 6 BW	Date: Rates:	Date: 09/12/97 Rates: 14 BO 40 MCF 29 BW
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 12 % Gas: 72 %	Oil: % Gas: %	Oil: 88 % Gas: 28 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes ___ No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes ___ No
Have all offset operators been given written notice of the proposed downhole commingling? Yes ___ No
11. Will cross-flow occur? ___ Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ___ Yes ___ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? Yes ___ No
13. Will the value of production be decreased by commingling? ___ Yes No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes ___ No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). DHC-1480
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Robin S. McCarley TITLE Tech. Asst. DATE 11/07/97

TYPE OR PRINT NAME Robin S. McCarley TELEPHONE NO. (915) 685-1961

ARCH PETROLEUM INC.

C. D. WOOLWORTH #10

Approval is requested for an exception to Rule 303-C to permit down-hole commingling of the Jalmat Yates Seven Rivers and Langlie Mattix Seven Rivers Queen production in the subject well.

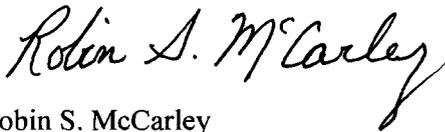
The C. D. Woolworth lease has permission to surface commingle other production from the Jalmat and Langlie Mattix zones as well as permission to down-hole commingle production from these zones in our C. D. Woolworth #5 well under Administrative Order DHC-1480.

This Langlie Mattix is currently being pumped into a tank.

The fluids show no evidence of incompatibility; therefore, down-hole commingling is not expected to result in reservoir damage. Ownership in the two pools is common and correlative rights will not be violated.

Should secondary recovery operations become practical in the future, the two zones could be separated at such time without damaging either reservoir.

Offset operators have been notified of the intent to down-hole commingle the subject well by letter dated November 7, 1997.



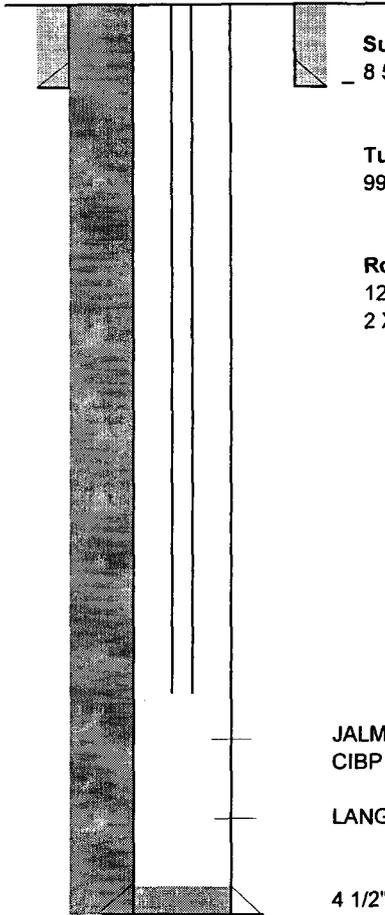
Robin S. McCarley
Technical Assistant

WELLBORE DIAGRAM

WELL : C. D. WOOLWORTH # 10
FIELD: LANGLEIE MATTIX & JALMAT OIL
SPUDDED:
COMPLETION DATE: 4-28-97
API # : 30-025-33881

LOCATION: SEC 30, 24S-37E
1320' FSL & 2630' FEL OF SEC.
LEA CO., NM
PRODUCING ZONE LANGLEIE MATTIX & JALMAT OIL
KB = 3268
GL = 3257

DATA:



Surface Casing :
8 5/8" 24# K-55 @ 477' RKB W/ 26+L450 SX, CMT CIRC

Tubing String :
99 JTS 2 3/8" 4.7# J-55 EUE @ 3139

Rods & Pump data :
121 3/4'S
2 X 1 1/2

JALMAT PERFS 3198, 3206, 18, 28, 35, 64, 76, 3325, 37, 50, 58, 69, & 76 (26HOLES)
CIBP @ 3400

LANGLIE MATTIX PERFS 3502, 19, 36, 61, 76, 93, 3609, 18, 32, & 58 (40 HOLES)

4 1/2" 11.6# K-55 @ 3756' RKB W/ 1025 SX, CMT CIRC

PBTD 3728
TD = 3750'

PUMPING UNIT:

CHRONO:

4-97 PERF LANGLEIE MATTIX, ACD W/ 2100 GALS 15% NEFE, FRAC W/ 31M GALS & 104M # 12/20 SN @ 24 BPM
DID NOT SCREEN OUT
9/12/1997 14 BO X 29 BW X 40 MCFD
9-97 SET CIBP @ 3400, PERF JALMAT, ACD W/ 2500 GALS 15 % NEFE, FRAC W/ 39M GALS & 130M# 16/30 SN
SCREENED OUT @ 8 #/GAL, CLN OUT W/ AIR

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

1API Number 30-025-33881		2Pool Code 37240/33820		3Pool Name Langlie Mattix/Jalmat Oil	
4Property Code 014899		5Property Name C. D. Woolworth			6Well Number 10
7GRID No. 000962		8Operator Name Arch Petroleum, Inc.			9Elevation 3257

10Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
J	30	24S	37E		1400	South	2630	East	Lea

11Bottom 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

12Dedicated Acres 40.00	13Joint or Infill	14Consolidation Code	15Order 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					<p>17OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Robin S. McCarley</i></p> <p>Signature Robin S. McCarley</p> <p>Printed Name Technical Assistant</p> <p>Title</p> <p>09-23-97</p> <p>Date</p>
					<p>18SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>_____</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>_____</p> <p>Certificate Number</p>

EXHIBIT 1

OFFSET OPERATORS

DHC - C. D. Woolworth #10
Unit J, Sec. 30, T24S, R37E
Lea County, New Mexico



Conoco, Inc.
P. O. Box 2197
Houston, TX 77079-1175



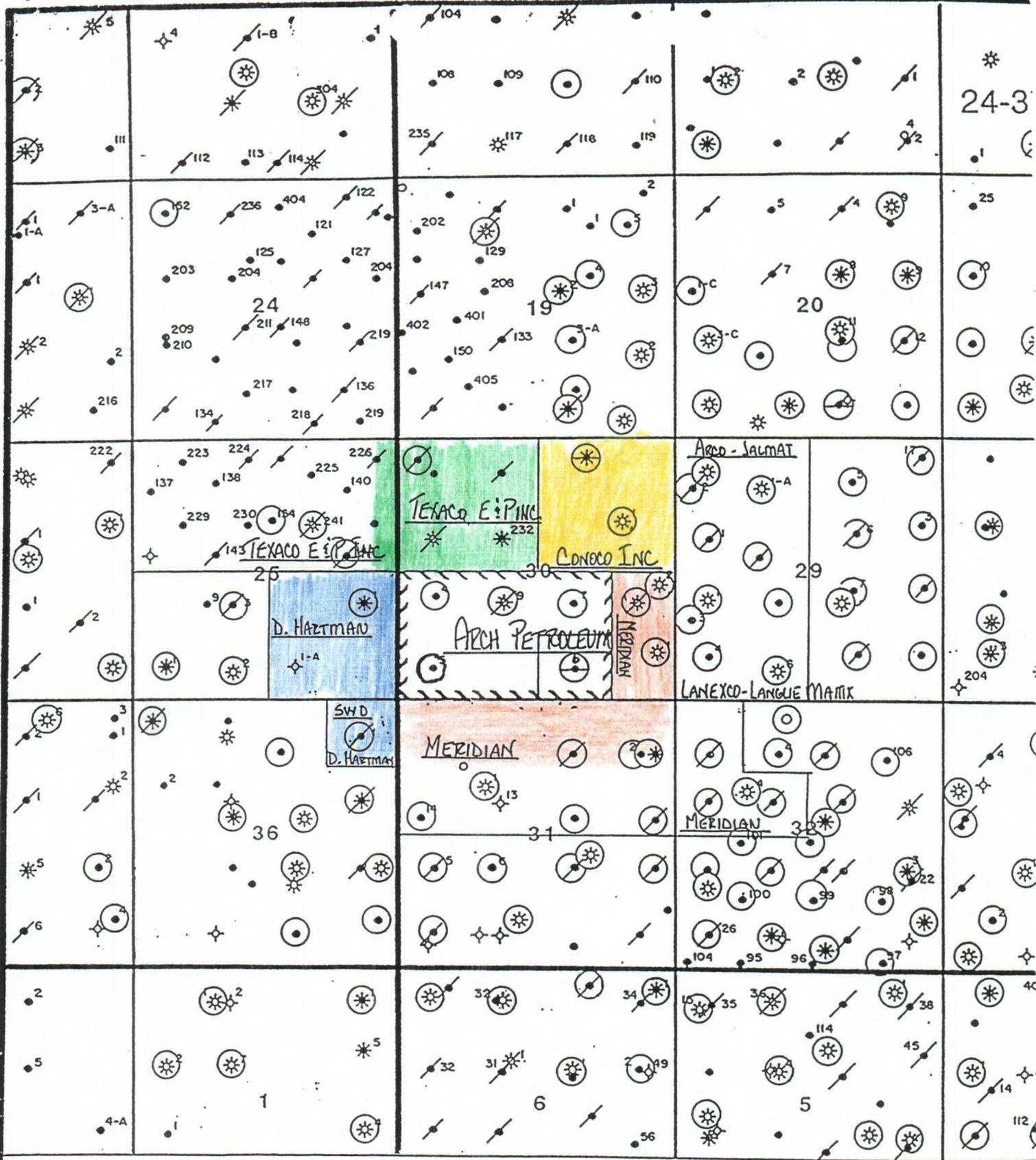
Doyle Hartman
500 North Main
Midland, Texas 79701



Burlington Resources
P. O. Box 4239
Midland, Texas 77210-4239



Texaco E & P Inc.
4601 DTC Boulevard
Denver, CO 80237-2549



C.D. WOOLWORTH LEASE



Arch Petroleum Inc.

November 7, 1997

Re: DHC - C. D. Woolworth #10
Unit J, Sec. 30, T23S, R37E
Lea County, New Mexico

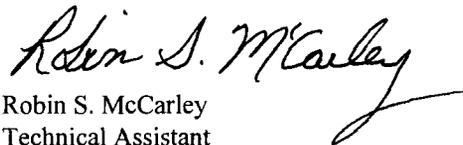
To: All Offset Operators

We are enclosing our application to down-hole commingle the production from the Langlie Mattix and Jalmat zones in the above well.

We have previously obtained permission to down-hole commingle these same zones in our C. D. Woolworth #5 and #6.

If you have any questions, please call me at (915) 685-1961.

Sincerely,


Robin S. McCarley
Technical Assistant

Enclosures

DHC-1765



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

11/19/97

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC X _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Arch Petroleum Inc CD Woolworth #10-J-30-24-37
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

None

Yours very truly,

Chris Williams
Supervisor, District 1

/ed