



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

October 16, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Arch Petroleum, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Administrative Order NSP-1868 (NSL)

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator Arch Petroleum, Inc. ("Arch") dated September 28, 2003 (*administrative application reference No. pMES0-328838991*), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on September 30, 2003; and (ii) the Division's records in Santa Fe, including the file in Division Case No. 474 (see Division Order No. R-281, dated February 27, 1953): all concerning Arch's request, pursuant to Division Rule 104.I, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in No. Case No. 12119 on August 12, 1999, for a non-standard 47.20-acre oil spacing and proration unit consisting of the following acreage in the Dollarhide-Devonian Pool (18050):

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
Irregular Section 28: Lot 4 and the SE/4 SW/4.

It is our understanding that this unit is to be dedicated to Arch's proposed W. A. Ramsay Federal Com. Well No. 1 to be drilled at an unorthodox oil well location 480 feet from the South line and 330 feet from the East line (Unit N) of Irregular Section 28.

This application has been duly filed under the provisions of Division Rules 104.F and 104.D (2), as revised.

By the authority granted me under the provisions of Division Rules 104.F (2) and 104.D (2) (b), as revised, the above-described 47.20-acre non-standard oil spacing and proration unit and unorthodox Devonian oil well location are tentatively approved. HOWEVER, this order shall not become effective until such time as Arch has satisfied the communitization requirements of Division Rule 104.I (2), as revised. Once finalized, a copy of the approved communitization order shall be submitted to the Division's offices in Santa Fe and Hobbs.

Sincerely,

Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management – Carlsbad
New Mexico State Land Office – Santa Fe