



Arch Petroleum Inc.

September 19, 1989

RECEIVED

SEP 22 1989

OIL CONSERVATION DIV.
SANTA FE

New Mexico Oil Conservation Division
Mr. William J. Lemay, Director
Post Office Box 2088
Santa Fe, New Mexico 87504

RE: Exception to Rule 303A
Section 34 & 35
T23S, R37E,
Lea County, New Mexico

Dear Sir:

Arch Petroleum Inc. is requesting approval of an exception to Rule 303A to permit the commingling of production from different formations into a common tank battery facility.

The E. C. Hill "D" Federal wells No. 3, 4, and 5 produce from the Devonian formation at approximately 7150-7250'. The three wells produce approximately 40 BO and 20 BW per day. Well No. 1 has been plugged back to the Abo formation at 6638-6714'. This zone is currently producing 14 BO and 14.7 BW per day. Temporary approval of surface commingling was approved by Mr. Shannon Shaw of the BLM and Mr. Jerry Sexton of your District I office in Hobbs (see attached letter) on August 23, 1989.

The common tank battery for the requested commingling approval is located at Unit A, Section 34, T23S, R37E. The wells are located as follows and are indicated on the attached plat.

Well No. 1, Unit H, Section 34, T23S, R37E
Well No. 3, Unit D, Section 35, T23S, R37E
Well No. 4, Unit A, Section 34, T23S, R37E
Well No. 5, Unit E, Section 35, T23S, R37E

Production allocation for the Hill "D" No. 1 Abo well, after commingling, will be based on a regularly scheduled well test using a portable tester. This tester will gauge daily production of oil, water and gas.

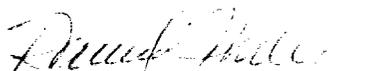
The gravities of the two crude oils are 36.6 degrees API and 38.8 degrees API for the Abo and Devonian respectively. Both gravities have been corrected to 60 degrees F. The expected gravity of the commingled oil is 38.2 degrees API.

The commingling of the production will not change the actual commercial value of the individual products. Posted prices for both sources are \$18.75 per barrel as of this date. Individual source value and commingled values are essentially equivalent.

Mr. Shannon Shaw of the Bureau of Land Management has been provided a copy of this information.

Should you require additional information, please call me.

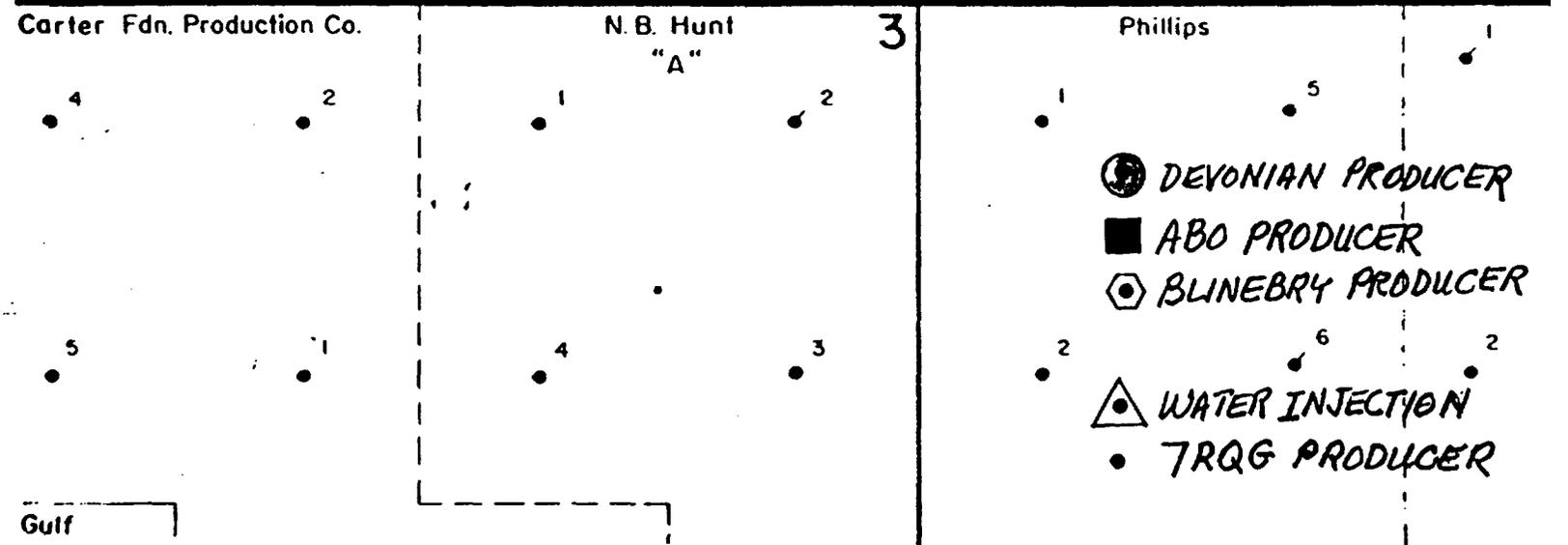
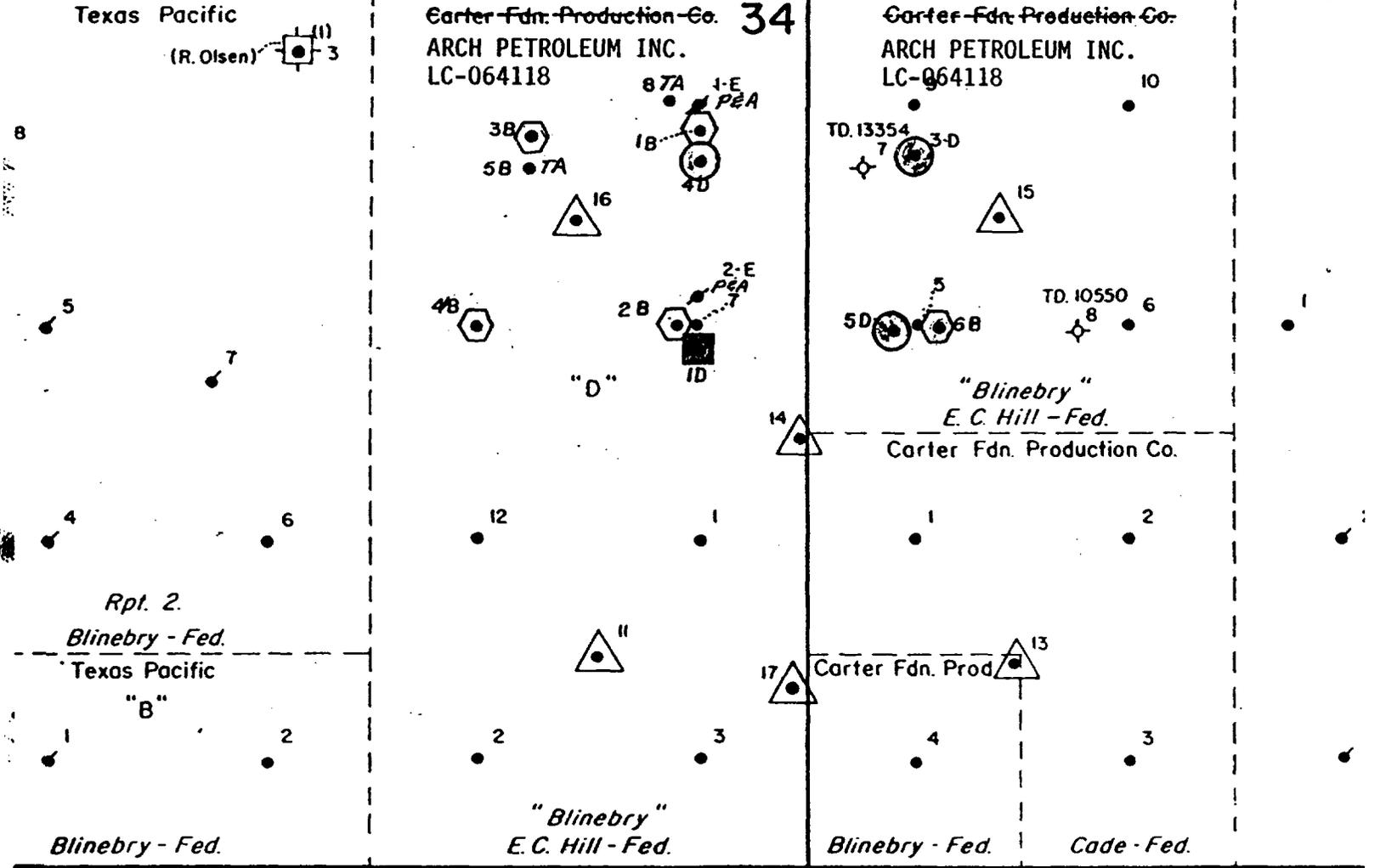
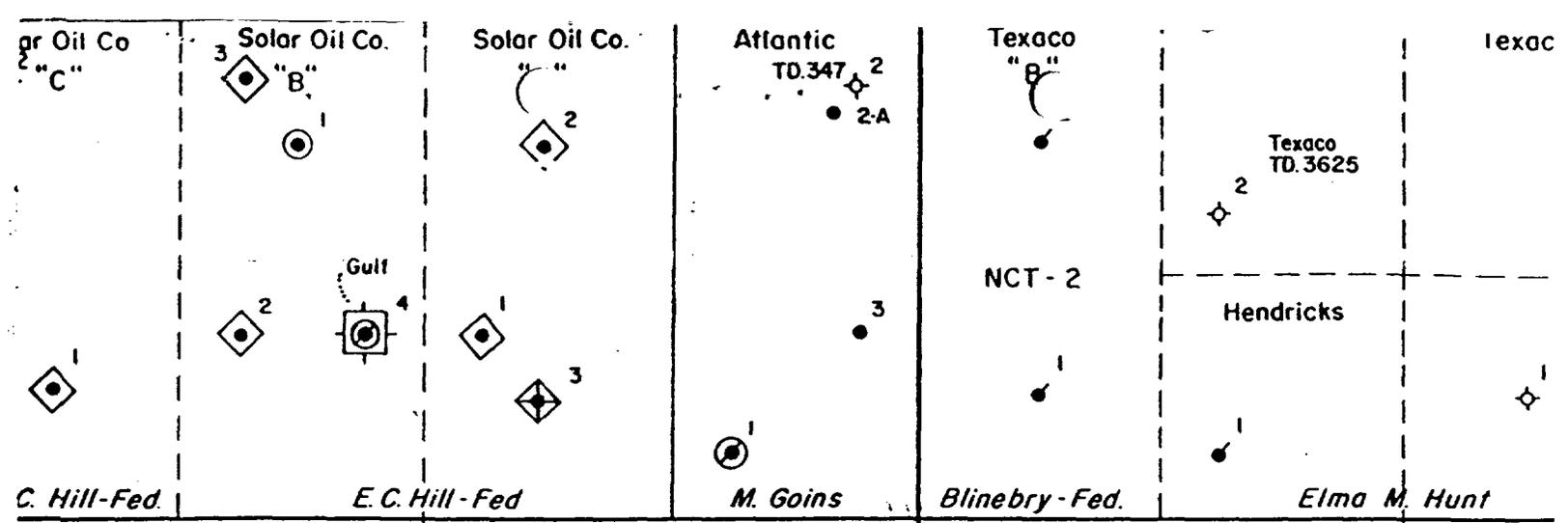
Sincerely,



David Miller
Operations Manager

DM/slw
Attachments
XC: Shannon Shaw
BLM
Carlsbad, New Mexico

Jerry Sexton
New Mexico Oil Conservation Division
Hobbs, New Mexico





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

AUG 24 1989

GARREY CARRUTHERS
GOVERNOR

August 23, 1989

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

Arch Petroleum Inc.
10 Desta Drive, Suite 420
Midland, TX 79705

Attn: Mr. David Miller
Operations Manager

Re: Temporary Permission To Surface Commingle
Teague Devonian and Undesignated Abo Production
E. C. Hill D Federal Lease Sec. 34 & 35, T23S, R37E

Gentlemen:

Permission to temporarily commingle the above-referenced production is hereby granted for 30 days. During this time you will need to get the Abo zone tested and submit your official application to surface commingle to our Santa Fe office as required by Rule 303-A.

As I indicated in my May 31st letter, this location is within a mile of the Teague Abo Gas pool and should the well be completed as a gas well it will be placed in the Teague Abo Gas Pool and as required by our rules, the gas from a gas well must be separately metered.

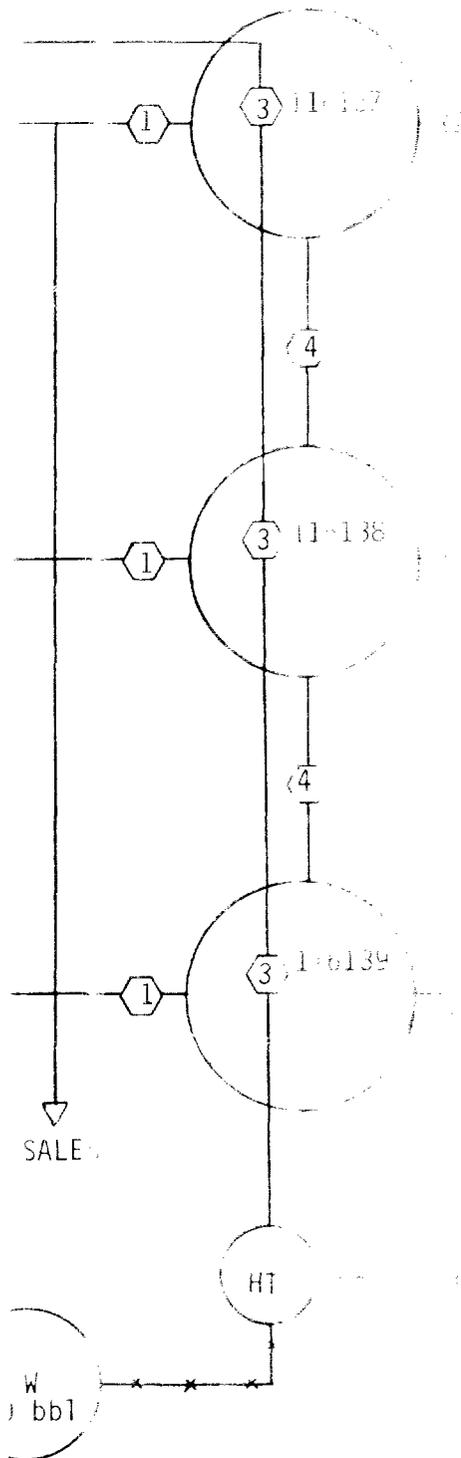
Very truly yours,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

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cc: David Catanach, OCD Santa Fe



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E. C. HILL FEDERAL "D" UNIT
 UNIT A, SEC 34, T13N, R10E
 LEA COUNTY, NEW MEXICO

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
Arch Petroleum Inc.

3. ADDRESS OF OPERATOR
10 Desta Dr., Suite 420 East, Midland, Texas 79705

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2131 FNL & 660 FEL, Section 34, T-23-S, R-37-E

At top prod. interval reported below

At total depth

14. PERMIT NO. N/A DATE ISSUED 6/15/89

5. LEASE DESIGNATION AND SERIAL NO.
LC064118

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
E. C. Hill "D" Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Teague Devonian

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 34, T-23-S, R-37-E

12. COUNTY OR PARISH Lea 13. STATE New Mexico

15. DATE SPUNDED 5/23/52 16. DATE T.D. REACHED 8/13/52 17. DATE COMPL. (Ready to prod.) 8/20/89 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 3275 KB 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 9290 21. PLUG BACK T.D., MD & TVD 6900 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY → ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 6638-6714' Abo 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN GST/NGT/CNL/TDT/Sonic 27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	48	331	17 1/2	300 sx circ	0
9 5/8	32 & 36	2919	12 1/4	1400 sx	0
7	23 & 26	9100	8 3/4	650 sx	0

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8	6478	6478

31. PERFORATION RECORD (Interval, size and number)
6638-6714 (55 - 0.4" dia holes).
6900 CIBP + 35' cement

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5222-5282	150 sx Class "C"
6958-7076	150 sx Class "H"
6958-7014	6000 gals 15% NeFe HCL
6638-6714	6000 gals 15% NeFe HCL + 80 B.S.

33.* PRODUCTION

DATE FIRST PRODUCTION 8/21/89 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) Producing

DATE OF TEST 9/13/89 HOURS TESTED 24 CHOKE SIZE 14/64 PROD'N. FOR TEST PERIOD → OIL—BBL. 13.6 GAS—MCF. 131 WATER—BBL. 14.7 GAS-OIL RATIO 9632

FLOW. TUBING PRESS. 50 CASING PRESSURE 0 CALCULATED 24-HOUR RATE → OIL—BBL. 13.6 GAS—MCF. 131 WATER—BBL. 14.7 OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold TEST WITNESSED BY Buddy Hill

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Dwight Miller TITLE Operations Manager DATE 9/19/89

*(See Instructions and Spaces for Additional Data on Reverse Side)

Submit 5 Copies
Appropriate District Office
F[STRUCT]
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

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

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

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

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

I.

Operator Arch Petroleum Inc.	Well API No. 30-025-10947
Address 10 Desta Dr., suite 420 East, Midland, Texas 79705	
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of: <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Recompletion <input checked="" type="checkbox"/>	Change field designation from Devonian to Abo
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator _____	

II. DESCRIPTION OF WELL AND LEASE

Lease Name E.C. Hill "D" Federal	Well No. 1	Pool Name, Including Formation Undesignated Abo	Kind of Lease State, Federal or Fee	Lease No. LC-064118
Location Unit Letter <u>H</u> : <u>2131</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>34</u> Township <u>23S</u> Range <u>37E</u> , NMPM, <u>Lea</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Texas New Mexico Pipeline	Address (Give address to which approved copy of this form is to be sent) P.O. Box 5568, Denver, Co. 80217			
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> El Paso Natural Gas Company	Address (Give address to which approved copy of this form is to be sent) P.O. Box 1492, El Paso, Texas 79978			
If well produces oil or liquids, give location of tanks.	Unit A	Sec. 34	Twp. 23S	Rge. 37E
Is gas actually connected?	Yes		When?	8-52
If this production is commingled with that from any other lease or pool, give commingling order number: <u>Temporary Approval 8-23-89</u>				

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well <input type="checkbox"/>	New Well <input type="checkbox"/>	Workover <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input checked="" type="checkbox"/>	Same Res'v <input type="checkbox"/>	Diff Res'v <input checked="" type="checkbox"/>
Date Sporeck started 8-16-89	Date Compl. Ready to Prod. 8-20-89		Total Depth 9290		P.B.T.D. 6865'			
Elevations (DF, RKB, RT, GR, etc.) 3275 KB	Name of Producing Formation ABO		Top Oil/Gas Pay 6500		Tubing Depth 6478			
Perforations 6638-6714					Depth Casing Shoe 9100			
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
17 1/2	13 3/8		331		300			
12 1/4	9 5/8		2919		1400			
8 3/4	7		9100		650			
	2 3/8		6478					

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank 8-21-89	Date of Test 9-13-89	Producing Method (Flow, pump, gas lift, etc.) Flowing	
Length of Test 24 hours	Tubing Pressure 50	Casing Pressure 0	Choke Size 14/64
Actual Prod. During Test	Oil - Bbls. 13.6	Water - Bbls. 14.7	Gas- MCF 131

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

David Miller
Signature
David Miller, Operations Manager
Printed Name Title
8-20-89 915-685-1961
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____
By _____
Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.