

DATE IN: 5/3/02	SUSPENSE: 5/23/02	ENGINEER: MS	LOGGED IN: MV	TYPE: NSL	APP NO: 0213540038
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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

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

jamesbruce@aol.com
 e-mail Address

CEMEX - 5/3/02
 10:00 AM
 10:00 AM

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

324 MCKENZIE STREET
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

May 3, 2002

Hand Delivered

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

Dear Mr. Stogner:

Pursuant to Rule 104.F(2), Arch Petroleum Inc. applies for administrative approval of an unorthodox oil well location for the following well:

<u>Well:</u>	C.E. Lamunyon Well No. 81
<u>Location:</u>	330 feet FNL & 150 feet FWL
<u>Well Unit:</u>	NW $\frac{1}{4}$ NW $\frac{1}{4}$ S27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico

The well will be drilled to test the McKee zone of the Teague (Simpson) Pool, which is an oil pool developed on statewide spacing. An APD and Form C-102 for the well are attached as Exhibit A.

The proposed location is based upon engineering and geological reasons. Attached as Exhibit B is a structure map on top of the McKee, with the proposed well marked in pink. The well has a favorable structural position. In addition, the proposed well is situated approximately equi-distant from the C.E. Lamunyon Well Nos. 6 and 7, and will recover reserves which will not be recovered by those wells.¹

Exhibit B also outlines the C.E. Lamunyon lease (Federal Lease LC 030187), covering the N $\frac{1}{2}$ of Section 27 and the N $\frac{1}{2}$ of Section 28, among other acreage. Royalty, overriding royalty, and working

¹The No. 6 well is abandoned in the McKee, but produced over 300,000 BO from the Teague Pool.

interests are common throughout the lease, so the proposed well does not encroach on any offset owner. Thus, no one is adversely affected, and notice has not been provided to any interest owner.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Arch
Petroleum Inc.

OPERATOR'S COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(Other info. on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

001 2 2 2001
MIDLAND

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

ARCH PETROLEUM, INC.

(RICHARD WRIGHT 915-685-8140)

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (915-685-8100)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface
330' FNL & 150' FWL SEC. 27 T23S-R37E LEA CO. NM
At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

Approximately 15 miles Southeast of Eunice New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

150'

16. NO. OF ACRES IN LEASE

1520

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

180'

19. PROPOSED DEPTH

9800'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GK, etc.)

3289' GR.

22. APPROX. DATE WORK WILL START

WHEN APPROVED

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix
17 1/2"	H-40 13 3/8"	48	1100'	1200 Sx. circulate to surface.
12 1/2"	J-55 9 5/8"	40.5	3100'	1200 Sx. " " "
* 8 1/2"	N-80 7"	26	7950'	1000 Sx.
7 7/8"	N-80 5 1/2"	17 & 20	9800'	1250 Sx. Estimate top 3000'.
** 6 1/8"	N-80 5"	18	9800'	300 Sx. Top of liner @ 7000'

* Drill hole to 7950' if lost circulation is encountered in the Devonian set 7" N-80 26# through the lost circulation zone. If no lost circulation is encountered reduce hole to 7 7/8" and drill to TD.

** If 7" casing is set due to lost circulation problems cement 7" casing and drill 6 1/8" hole to 9800'. Run a 5" 18# N-80 liner from 9800' back to 7000'. Cement with 300 Sx. of Class "H" low water loss cement to the top of liner.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Operator's Certified Water Mark

SEE ATTACHED PAGE FOR DETAILS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

[Signature]

TITLE Agent

DATE 07/25/01

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY.

APPROVED BY

[Signature]

[Signature]

TITLE FIELD MANAGER

DATE

10/17/01

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

EXHIBIT

[Signature]

Bumgarth No. 5708

ARCH PETROLEUM, INC.
LAMUNYON # 81
UNIT "D" SECTION 27
T23S-R37E LEA CO. NM

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 1100'. Run and set 1100' of 13 3/8" 48# H-40 ST&C casing. Cement with 1200 Sx. of Class "C" cement + 2% CaCl + ¼# Flocele/Sx. circulate cement to surface.
3. Drill 12½" hole to 3100'. Run and set 3100' of 9 5/8" 40.5# J-55 ST&C casing. Cement with 1200 Sx. of Class "C" cement + additives, circulate cement to surface.
4. Drill 8½" hole to 7950'. If no lost circulation is encountered reduce hole size to 7 7/8" and drill to TD of 9800'. Run and set 9800' of 5½" 20 & 17 # N-80 LT&C casing. Cement casing in 3 stages with DV tools at 7000' & 4500'. Cement 1st stage with 475 Sx. of Class "H" Low water loss cement + additives, cement 2nd stage with 550 Sx. of Class "H" cement + additives, cement 3rd stage with 350 Sx. of Class "C" cement + additives. Estimate top of cement 3000'.
5. If the 7" casing is set at 7950' and a 6 1/8" hole is drilled from 7950' to TD of 9800', run a 5' 18# N-80 liner from TD to 7000'. Cement with 300 Sx. of Class "H" low water loss cement+ additives, cement to top of liner.

DISTRICT I

P.O. Box 1988, Santa Fe, NM 87504-1988

DISTRICT II

P.O. Box 2088, Santa Fe, NM 87504-2088

DISTRICT III

1066 Rio Brazos Rd., Artes, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

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	
		58900	TEAGUE - SIMPSON	
Property Code	Property Name		Well Number	
14908	LAMUNYON		81	
OGRD No.	Operator Name		Elevation	
692	ARCH PETROLEUM, INC.		3289'	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	23-S	37-E		330	NORTH	150	WEST	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.			
40									

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

<p>SEE DETAIL</p>					<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature</p> <p>Joe T. Janica Printed Name</p> <p>Agent</p> <p>Title</p> <p>07/25/01 Date</p>	
					<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 21, 2001</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald E. Simpson</i> Professional Surveyor</p> <p>16/22/01</p>	
					<p>Certificate No. RONALD E. SIMPSON 3236</p> <p>CARE SIMPSON 12641</p>	

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/21/02 16:51:30
OGOMES -TPJH
PAGE NO: 2

Sec : 27 Twp : 23S Rng : 37E Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
Fee owned	Fee owned	Fee owned	Fee owned
A A	A A A	A A A A	
M	N	O	P
40.00	40.00	40.00	40.00
Fee owned	Fee owned	Fee owned	Fee owned
A	A A A A	A A A A	A

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/21/02 16:51:19
OGOMES -TPJH
PAGE NO: 1

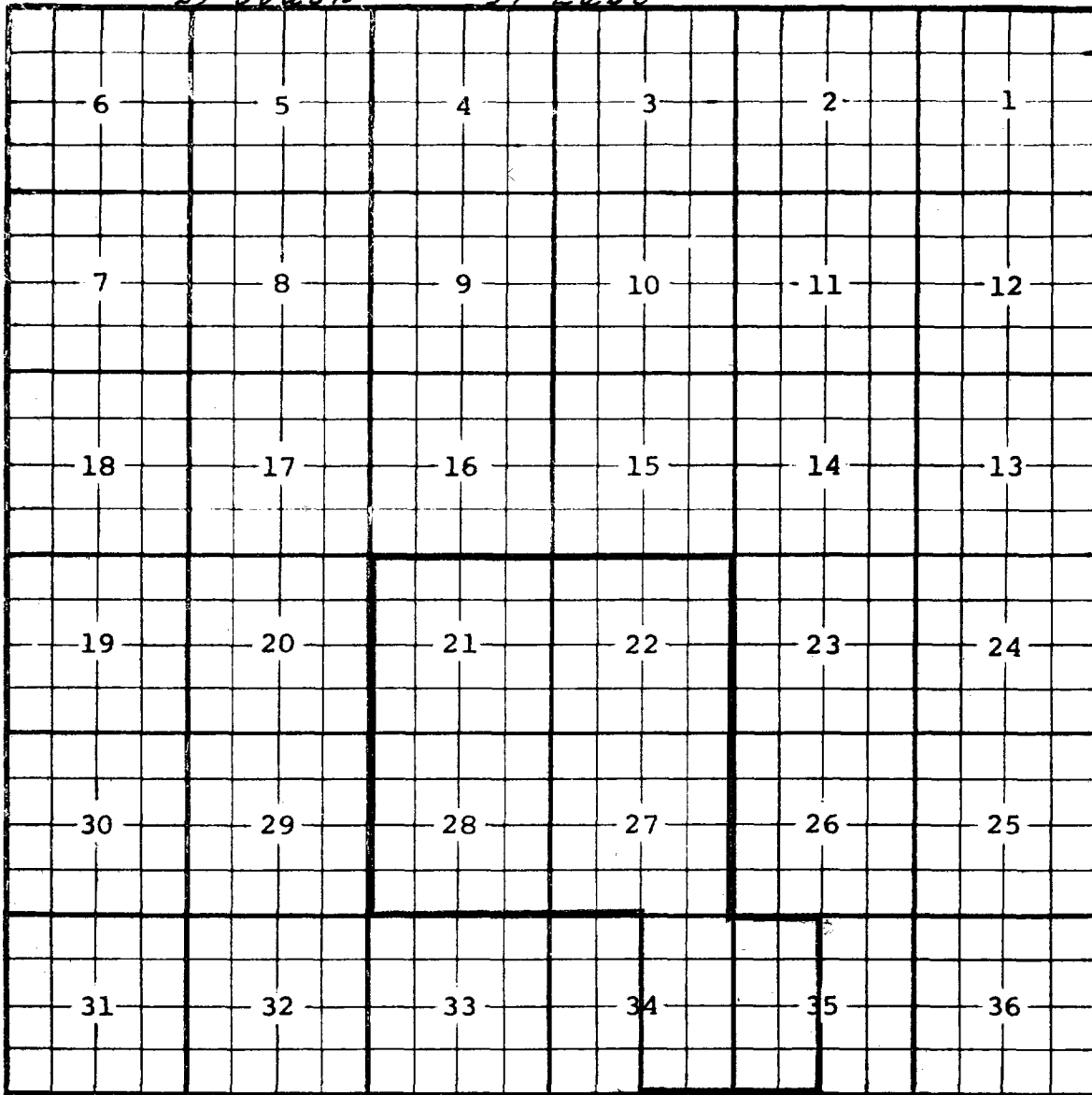
Sec : 27 Twp : 23S Rng : 37E Section Type : NORMAL

D	C	B	A
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A A A	A A A A	A A C	
F	F	G	H
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A A A A	A A A A A	A	

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

COUNTY Lea POOL Teague (sim)

TOWNSHIP 23-South RANGE 37-East NMPM



Description: All Secs. 21, 22, 27, & 28. - $\frac{E}{2}$ Sec. 34; $\frac{W}{2}$ Sec. 25, (R-197, 10-20-52).