

AMEND

DATE 11/8/02	SUBMITTED 11/28/02	ENGINEER	LOGGED IN <i>JB</i>	TYPE NSL	APP NO. 231640809
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REMOVE THIS LINE FOR DRAWING USE ONLY

#4735

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 - ON-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 HLM 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

Call ask about owners in SW/4 Sec 22!!
OK

[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.

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

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

James Bruce _____ *Attorney* _____ *11/8/02* _____
jamesbruce@aol.com _____

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) 982-2151 (FAX)

jamesbruc@aol.com

November 8, 2002

Via Fax and U.S. Mail

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 an amendment of Division Administrative Order NSL-4735 for the following well:

<u>Well:</u>	C.E. Lamunyon Well No. 81 (30-025-35932)
<u>Location:</u>	230 feet FNL & 150 feet FWL
<u>Well Unit:</u>	NW¼NW¼ §27, 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. (Administrative Order NSL-4735 had approved a location 330 feet FNL & 150 feet FWL.)

The reason for the changed location is that there are pipelines and power lines which prevent drilling at the location 330 feet FNL. Applicant does not want to move the well south or east because, as noted in the original application, 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

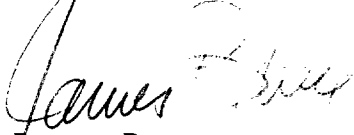
Exhibit A outlines the C.E. Lamunyon lease (Federal Lease LC 030187), covering the N½ of Section 27 and the N½ of Section 28, among other acreage. Royalty, overriding royalty, and working

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

interests are common throughout the lease, so the proposed well does not encroach on any offset owner to the north and west. Applicant is also a working interest owner in, and the operator of, the SE¼ of Section 21. However, there are several other working interest owners in that quarter section, who are identified in Exhibit B. The notice letter sent to the offsets is attached hereto as Exhibit C.

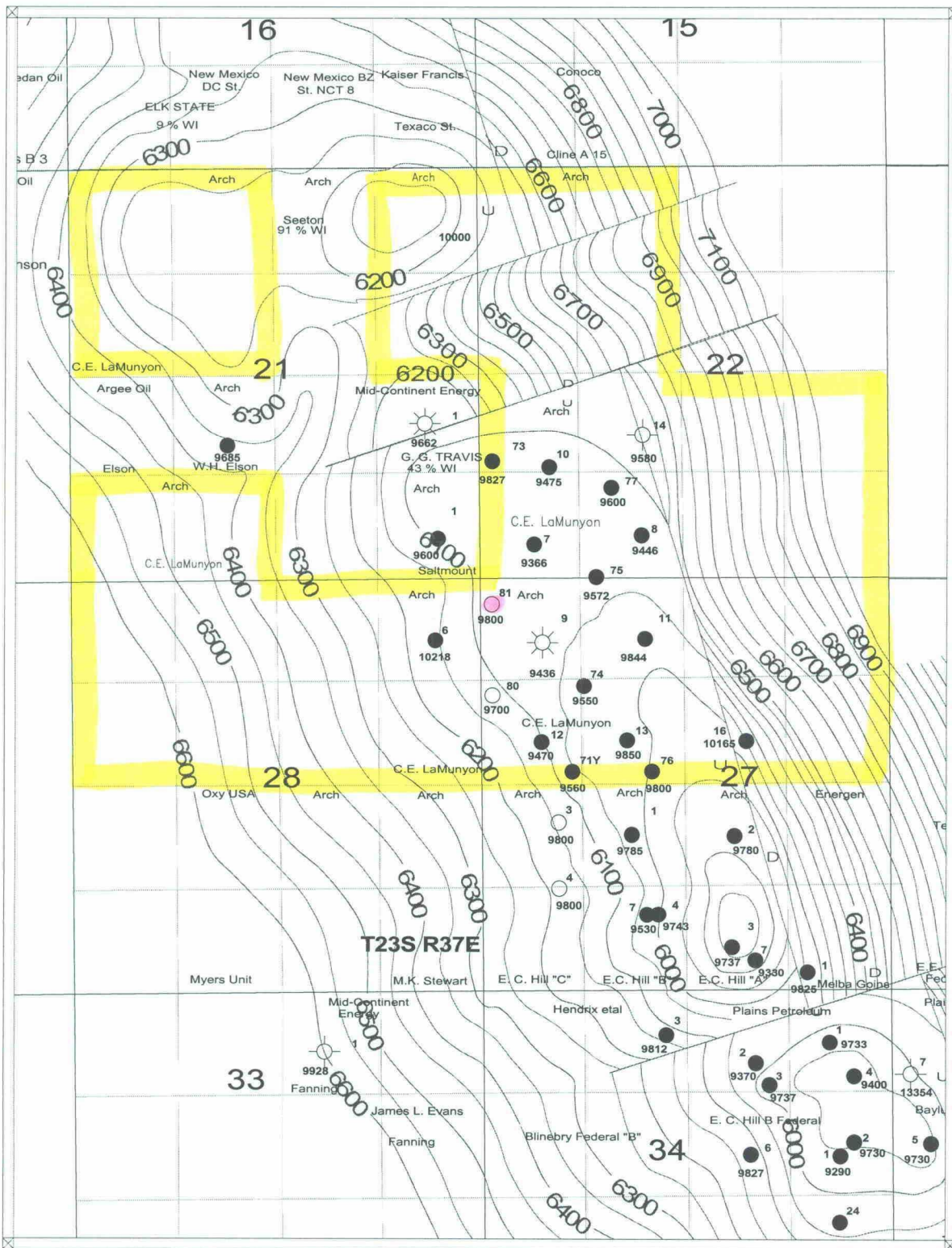
Please call me if you need anything further regarding this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the typed name.

James Bruce

Attorney for Arch Petroleum Inc.



LEGEND

○ NEW DRILL LOCATION



ARCH PETROLEUM		
TEAGUE PROSPECT LEA COUNTY, NEW MEXICO MCKEE "C" STRUCTURE MAP		
G. CURRY	CI=50 FEET	5/202
WELLS >= 9000'	1"=2000'	TGMCKEEG.GPF

Working Interest Owner List - Section 21, (SE/4), T-23-S, R-37-E, N.M.P.M., Lea County, NM - G. G. Travis Saltmount Leases

Working Interest Owner	Mailing Address	City	State	Zip Code	Telephone Number	Attention
1. Wynn-Crosby Energy, Inc.	5500 W. Plano Parkway, Suite 200	Plano	Texas	75093-4836	972-380-5500	Herb Schroeder, V.P. Operations
2. Apache Corporation	6120 South Yale Two Warren Place, Suite 1500	Tulsa	Oklahoma	74136-4224	918-491-4963	Mario R. Moreno, Jr., Senior Staff Landman
3. Audrey M. Baker	P. O. Box 1263	Midland	Texas	79702-1263	915-Unlisted	Audrey M. Baker
4. Patricia Galt Steves	501 Grandview Place	San Antonio	Texas	78209	210-826-5773	Patricia Galt Steves



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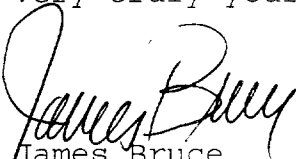
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and Gentlemen:

Enclosed is a copy of an application for administrative approval of an unorthodox oil well location, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the NW¹/₄NW¹/₄ of Section 27, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico. If you object to the location, you must notify the Division, in writing, no later than Friday, November 29, 2002 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; Attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.



EXHIBIT A

Apache Corporation
Suite 100
2000 Post Oak Boulevard
Houston, Texas 77056

Attention: Mario R. Moreno, Jr.

Audrey M. Baker
809 Lawson
Midland, Texas 79701

Patricia Galt Steves
501 Grandview Place
San Antonio, Texas 78209

Wynn-Crosby Energy, Inc.
Suite 200
5500 West Plano Parkway
Plano, Texas 75093

Attention: Herb Schroeder