



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 6, 2002

Arch Petroleum, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4818

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Arch Petroleum, Inc. ("Arch"), submitted to the New Mexico Oil Conservation Division ("Division") on November 12, 2002 (*application reference No. PKRV0-231829231*); and (ii) the Division's records in Santa Fe: all concerning Arch's request to re-complete its C. E. Lamunyon Well No. 21 (API 30-025-22323) at a non-standard gas well location within the Wildcat-San Andres 510 feet from the North line and 660 feet from the East line (Unit A) of Section 28, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

The NE/4 of Section 28 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Affected offsetting working interest owners to the North in the SE/4 of Section 21 have been notified and have not objected within the 20-day suspense period. It is understood that this is a proposed re-completion from a standard location within the Teague-Simpson Oil Pool and a DST indicates this San Andres to be a gas bearing formation in this area. Therefore, the gas well location will be non-standard because it is closer than 660 feet from the North edge of this standard 160-acre gas spacing unit. Re-completion in this well bore to the San Andres gas will prevent waste and recover previously unrecoverable reserves.

Administrative Order NSL-4818
Arch Petroleum, Inc.
December 6, 2002
Page 2

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described non-standard gas well location is hereby **approved**.

Sincerely,



Lori Wrotenbery
Director

LW/wvjj

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad