

NSP-352.6

Never issued

11/8
October 26, 1999

Rec: 10-18-99
Susp: 11-8-99
Released 11-8

Arch Petroleum Inc.
P. O. Box 10340
Midland, Texas 79702

Attention: Garland H. Lang III

Administrative Order NSP-352-B

Dear Ms. Lange:

Reference is made to the following: (i) your application dated October 13, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Arch Petroleum Inc.'s ("Arch") request to reactivate a previously approved 80.08-acre non-standard gas spacing and proration unit in the ~~Blinebry Oil and Gas Pool~~ ^{Tobbs} ("GPU") comprising the following acreage and to exchange the well dedication of this GPU:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: Lots 1 and 2 (N/2 NE/4 equivalent).

This GPU was approved by and the subject to: (i) Division Administrative Order NSP-352, dated February 22, 1957; (ii) Division Administrative Order NSP-352-A (L) dated April 4, 1995; and (iii) a reconfirmation order by letter dated December 26, 1996. This GPU, from its inception, has been dedicated to Arch's Lee Stubbins (NCT-B) Well No. 3 (API No. 30-025-10061), located at an unorthodox gas well location 660 feet from the North line and 460 feet from the East line (Unit A) of Section 5. It is our understanding that the above-described Lee Stubbins (NCT-B) Well No. 3 is temporarily abandoned and that Arch Petroleum Inc. is planning to recomplete its existing Lee Stubbins (NCT-B) Well No. 4 (API No. 30-025-10062), located at a standard gas well location for this GPU 660 feet from the North line and 1780 feet from the East line (Lot 2/Unit B) of Section 5 from the Drinkard Pool to the Blinebry formation.

^{Tobbs}
By authority granted me under the provisions of **Rule 2(d)** of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for ~~the Blinebry Oil and Gas Pool,~~" as promulgated by Division Order No. R-8170, as amended, the above-described 80.08-acre GPU to be dedicated to Arch's above-described Lee Stubbins (NCT-B) Well No. 4 is hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of the pool rules based upon a unit size of 80.08 acres.

It is further ordered that Division Administrative Orders NSP-352 and NSP-352-A (L) shall be placed in abeyance until further notice.

Sincerely,

Lori Wrotenbery
Director

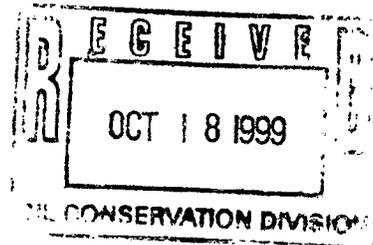
LW/MES/kv

cc: New Mexico Oil Conservation Division – Hobbs
File: NSP-352
NSP-352-A (L)

NSP 11/8/99



Arch Petroleum Inc.



October 13, 1999

Application for Administrative Approval for Re-dedication of
Non-standard Gas Spacing and Proration Unit-Tubb (Pro Gas) Pool,
Lee Stebbins "B" Well No. 4, 660' FNL and 330' FWL, Unit Letter D,
Section 23, T-24-S, R-37-E, N.M.P.M.,
Lea County, New Mexico

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Dear Mr. Stogner:

Arch Petroleum Inc. respectfully requests Administrative Approval for re-dedication of a Non-Standard 80-acre gas spacing and proration unit "GPU" for the subject well.

Arch Petroleum Inc. is planning to re-complete its Lee Stebbins "B" #4 in the Tubb (Pro Gas) pool. It is our desire to re-dedicate the existing 80-acre GPU (approved by order NSP-352) that comprises the N/2 NE/4 of Section 5, T-22-S, R-37-E currently dedicated to the Arch's Lee Stebbins "B" #3 well located in unit letter A which is Temporarily Abandoned.

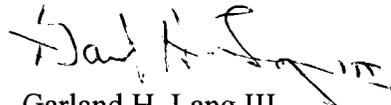
In order to prevent waste, Arch Petroleum Inc. respectfully requests approval of this administrative application for the re-dedication of the 80-acre GPU for the Lee Stebbins "B" Well No. 4. Attached hereto as Exhibit "A" is a map showing the offset operators, a list of offset operators that could be effected by this unorthodox location, Form C-101 and Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to the offset operators as their notice of this application.

Application for Re-dedication of GPU
Lee Stebbins "B" Well No. 4
October 13, 1999
Page Two

If you have any questions or require any further information concerning this application,
please contact me at (915) 685-8126.

Yours very truly,

ARCH PETROLEUM INC.

A handwritten signature in black ink, appearing to read "Garland H. Lang III". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Garland H. Lang III
Consulting Landman

Attachments

cc: NMOCD-Hobbs, N.M.
Rex Jasper

ARCH PETROLEUM INC.
Request for Re-dedication of Gas Proration Unit
Tubb (Pro Gas) Pool
Lee Stebbins "B" #4

660' FNL and 1,780' FEL, Unit Letter B, Section 5, T-22-S, R-37-E, N.M.P.M.
Lea County, New Mexico

Offset Operators

Collins & Ware, Inc.
508 West Wall Avenue, Suite 1200
Midland, Texas 79701-5076

The Wiser Oil Company
8115 Preston Rd, Ste. 400
Dallas, Texas 75225-6311

Chevron USA
P.O. Box 1150
Midland, Texas 79702

Yarborough Oil & Gas L.P.
P.O. Box 192
Eunice, NM 88231

Zia Energy, Inc.
P.O. Box 2510
Hobbs, NM 88241

BEC Corporation
P.O. Box 1392
Midland, Texas 79702-1392

R 37 E

32

33

T

21 S

GULF OIL 108 STEBBINS B
 GULF OIL 109 SO PENROSE SKY UT
 YARBOROUGH 108 2 DOWNES
STEBBINS
 GULF OIL 104 SO PENROSE SKY UT
 GULF OIL 103 SO PENROSE SKY UT
 GULF OIL 105 LES STEBBINS B
 GULF OIL 106 SO PENROSE SKY UT

5

4

EXHIBIT "A"
LEGEND

- Arch Operated Leasehold
- Lee Stebbin "B" #4 to be completed in the Tubb (Pro Gas) pool

ARCH PETROLEUM

STEBBINS PROSPECT
Lea County, New Mexico

LNDMN: G LANG		10/14/1999
TECH: T. RODRIGUEZ	Scale 1:17728.26	LANDSTEB GPF

District I
 P.O. Box 1980, Hobbs, NM 88241-1980

District II
 811 South First, Artesia, NM 88210

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

District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-101
 Revised October 18, 1994

Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Arch Petroleum Inc. 300 North Marienfeld, Suite 600 Midland, Texas 79701		OGRID Number 000962
		API Number 30 - 025-10062
Property Code 14917	Property Name Lee Stebbins (NCT-B)	Well No. 4

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
B	5	22S	37E		660	North	1780	East	Lea

Proposed 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
Proposed Pool 1 Tubb Gas (86440)					Proposed Pool 2				

Work Type Code P	Well Type Code G	Cable/Rotary C	Lease Type Code P	Ground Level Elevation 3450
Multiple	Proposed Depth 6400	Formation Tubb	Contractor	Spud Date

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/4"	13-3/8"	48#	300	300	Surface
12-1/4"	9-5/8"	36#	2900	1300	610'
8-3/4"	7"	23#	6500	700	2320'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

POH w/production equipment.
 Set CIBP @ 6350'. Cap w/2 sx cement. Test to 3000#
 Perforate Tubb 6140-6160' w/2 JSPF.
 Acidize perforations w/1000 gallons 15% AS.
 Swab and evaluate.
 RIH w/production equipment.
 Return well to production.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Robin S. McCarley*
 Printed name: Robin S. McCarley
 Title: Production Tech.

OIL CONSERVATION DIVISION

Approved By:
 Title:
 Approval Date:
 Expiration Date:

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-10062		2 Pool Code 86440		3 Pool Name Tubb Gas	
4 Property Code 14917		5 Property Name Lee Stebbins (NCT-B)			6 Well Number 4
7 OGRID No. 000962		8 Operator Name Arch Petroleum Inc.			9 Elevation 3450

10 Surface Location

UL or lot no. B	Section 5	Township 22S	Range 37E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1780	East/West Line East	County Lea
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11 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
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12 Dedicated Acres 80.00	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

16				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Robin S. McCarley</i></p> <p>Signature Robin S. McCarley</p> <p>Printed Name Production Tech.</p> <p>Title 09-21-99</p> <p>Date</p>	
				<p>18 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>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>	
				<p>Certificate Number</p>	

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/26/99 11:01:47
OGOMES -TPF5
PAGE NO: 1

Sec : 05 Twp : 22S Rng : 37E Section Type : NORMAL

4 40.29 Federal owned A	3 40.19 Fee owned A	2 40.09 Fee owned A A	1 39.99 Fee owned A
E 40.00 Fee owned A	F 40.00 Fee owned A A	G 40.00 Fee owned A A A	H 40.00 Fee owned P P

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/26/99 11:01:58
OGOMES -TPF5
PAGE NO: 2

Sec : 05 Twp : 22S Rng : 37E Section Type : NORMAL

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

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



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 4, 1995

Arch Petroleum, Inc.
10 Desta Drive - Suite 420 East
Midland, Texas 79705

Attention: Bobbie Brooks

Administrative Order NSP-352-A (L)

Dear Mr. Brooks:

Reference is made to your application dated February 28, 1995 for an 80.08-acre non-standard gas spacing and proration unit consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: Lots 1 and 2 (the N/2 NE/4 equivalent).

It is my understanding that this unit is to be dedicated to your existing Lee Stebbins (NCT-B) Well No. 3 (API No. 30-025-10061), located at an unorthodox gas well location 660 feet from the North line and 460 feet from the East line (Unit A) of said Section 5.

By authority granted me under the provisions of Rules 2(a)4 and 2(c) of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the above-described 80.08-acre non-standard gas spacing and proration unit and unorthodox gas well location for the Lee Stebbins (NCT-B) Well No. 3 are hereby approved.

Further, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 80.08 acres.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSP-352 ✓



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 26, 1996

Arch Petroleum, Inc.
10 Desta Drive - Suite 420 East
Midland, Texas 79705

Attention: Bobbie Brooks

Re: Division Administrative Order NSP-352-A (L), dated April 4, 1995, which order established an 80.08-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising Lots 1 and 2 (the N/2 NE/4 equivalent) of Section 5, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, and had dedicated thereon the Arch Petroleum, Inc. Lee Stebbins (NCT-B) Well No. 3 (API No. 30-025-10061), located at an unorthodox gas well location 660 feet from the North line and 460 feet from the East line (Lot 1/Unit A) of said Section 5.

Dear Ms. Brooks:

Per your letter dated November 19, 1996, which included supporting information and notice to off-set operators, all provisions of said Division Administrative Order NSP-352-A (L) shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

MICHAEL E. STOGNER
Deputy Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
Kathy Valdes, NMOCD - Santa Fe
File: NSP-352
NSP-352-A(L)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 22, 1957

C Gulf Oil Corporation
P. O. Drawer 1290
Fort Worth 1, Texas

Attention: Mr. B. E. Thompson

Administrative Order NSP-352

O Gentlemen:

Reference is made to your application for approval of a 80-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the following acreage:

P Township 22 South, Range 37 East
Lots 1 & 2, Section 5

It is understood that this unit is to be ascribed to your Lee Stebbins "B" Well No. 3, located 660 feet from the North line and 460 feet from the East line and in the NE/4 NE/4 of Section 5, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

Y By authority granted me under provisions of Rule 5, Section (d)-6 of the Special Rules and Regulations for the Tubb Gas Pool, as set forth in Order R-586, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 12 of the pool rules, based upon the unit size of 80 acres.

Very truly yours,

A. L. PORTER, JR.
Secretary-Director

WWM:dea

cc: Oil Conservation Commission, Hobbs, New Mexico
New Mexico Oil & Gas Engineering Committee, Hobbs, New Mexico
El Paso Natural Gas Company, Jal, New Mexico
El Paso Natural Gas Company, El Paso, Texas