



NSP-547

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 12, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Administrative Order SD-05-03

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") in Santa Fe, New Mexico on August 16, 2005 (*administrative application reference No. pSEM0-522932375*); and (ii) the records of the Division in Santa Fe, including the file on Division Administrative Order NSP-547: all concerning Arch Petroleum Inc.'s ("Arch") plans for the continued development of the Jalmat Gas Pool (79240) within the existing non-standard 160-acre gas spacing unit comprising the SE/4 of Section 11, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

Your application has been duly filed under the provisions of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

Division Administrative Order NSP-547, dated March 2, 1961, initially established the subject 160-acre unit for Arch's J. F. Janda (NCT-H) Well No. 3 (API No. 30-025-09307), located at a standard gas well location 1980 feet from the South and East lines of Section 11.

It is the Division's understanding that Arch now intends to re-complete/reinstate its J. F. Janda (NCT-H) Well No. 2 (API No. 30-025-09306), located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 11, as an infill gas well within this 160-acre unit.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Arch is hereby authorized to simultaneously dedicate Jalmat gas production to the above-described 160-acre non-standard gas spacing unit from both its J. F. Janda (NCT-H) Wells No. 2 and 3.

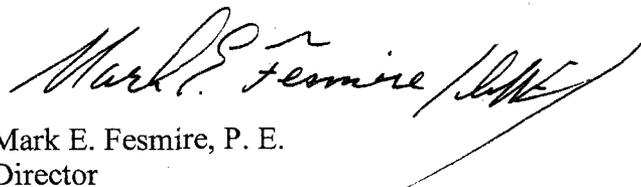
Further, all provisions applicable to the subject 160-acre non-standard Jalmat gas spacing unit in Division Administrative Order NSP-547, not in conflict with this order, shall remain in full force and affect until further notice.

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

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
~~File: Division Administrative Order NSP-547~~