



Arch Petroleum Inc.

1113

March 26, 2004

RECEIVED

New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

APR 05 2004

OIL CONSERVATION
DIVISION

Re: Surface Commingling of Oil & Gas
E. A. Sticher #2, #3 and #4 Wells

#2 - 30-025-10024
#3 - 30-025-10025
#4 - 30-025-36399

Gentlemen:

Arch Petroleum Inc. hereby requests administrative approval for Pool Commingling of oil and gas production from the E. A. Sticher #2, #3 and #4 wells. These three wells are located on the same lease and have the same ownership.

Production from the E. A. Sticher #3 and #4 well will be commingled at the E. A. Sticher #2 battery. The E. A. Sticher #2 is producing in the Blinbry pool, the E. A. Sticher #3 is producing in the Tubb Oil & Gas pool and the E. A. Sticher #4 well is producing in the Penrose Skelly Grayburg pool. Oil & gas production will be allocated based on well tests.

The common tank battery and sales meter for the E. A. Sticher #2, #3 and #4 wells is located in Unit Ltr: N, Section 4, T-22S, R-37E in Lea County, New Mexico. The three referenced wells and the lease boundary are depicted on Attachment I.

The purpose of the Pool Commingling is to reduce facility and operating costs, thereby increasing the economic life of the wells.

No notification letter was sent since Arch is 100% interest owner in the above lease/wells.

Thank you for your cooperation in this matter. If you have any questions, please feel free to contact me at (915) 685-8100.

Sincerely,

Cathy Wright

Cathy Wright
Sr. Operation Tech

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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.

Cathy Wright
 Print or Type Name

Signature

Sr. Operation Tech
 Title

03/26/04
 Date

tomlberli@pogoproducting.com
 e-mail Address

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name STICHER	Well Number 4
OGRID No.	Operator Name ARCH PETROLEUM, INC.	Elevation 3422'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	22-S	37-E		990'	SOUTH	1750'	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.						

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

LOT 4	LOT 3	LOT 2	LOT 1
39.91 AC	39.86 AC	39.80 AC	39.75 AC
<p>GEODETIC COORDINATES NAD 27 NME Y = 517095.9 N X = 858858.5 E LAT. 32°24'58.48"N LONG. 103°10'13.64"W</p>			
<p>1750'</p> <p>2086'</p> <p>1864.5'</p> <p>#4</p> <p>#2</p> <p>990'</p> <p>544.5'</p> <p>554'</p> <p>#3</p>			

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Cathy Wright
Signature

Cathy Wright
Printed Name

Sr. Operation Tech
Title

03/26/04
Date

SURVEYOR CERTIFICATION

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.

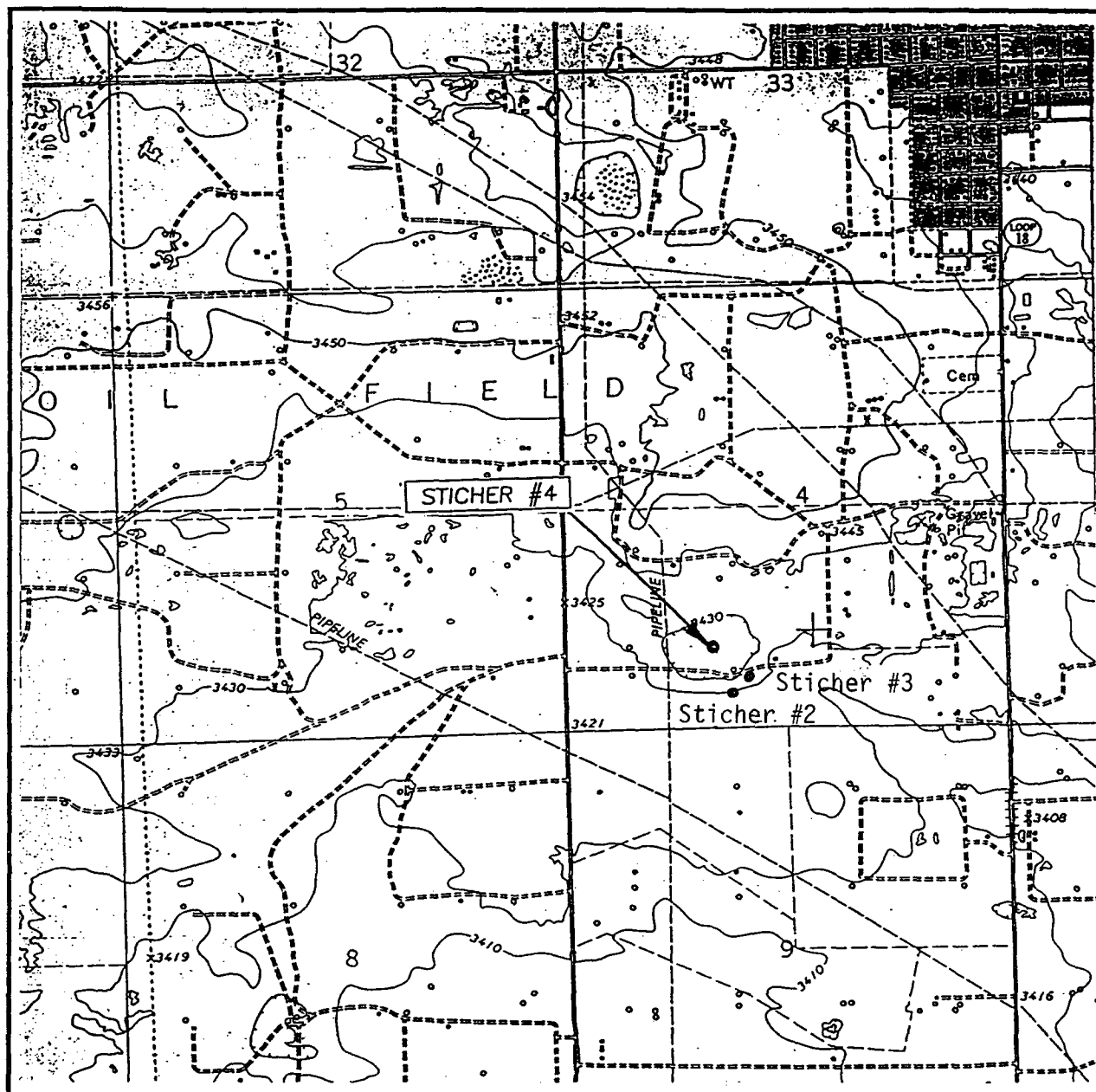
August 28, 2003
Date Surveyed

A.W.B.
Signature & Seal of Professional Surveyor

Gary Eidson 9/5/03
03.11.0953

Certificate No. GARY EIDSON 12641

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
EUNICE, N.M.

SEC. 4 TWP. 22-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 990' FSL & 1750' FWL

ELEVATION 3422'

OPERATOR ARCH PETROLEUM, INC.

LEASE STICHER

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117



Arch Petroleum Inc.

**ARCH PETROLEUM INC.
E. A. Sticher Lease
SE/4 of the SW/4
Sec. 4, T-22-S, R-37-E,
LEA COUNTY, NEW MEXICO**

STATEMENT OF OWNERSHIP

THIS STATEMENT has been prepared as evidence that I, Thomas R. Land, CPL, Midland, Texas, has reviewed the title files covering Arch Petroleum Inc.'s E. A. Sticher Lease.

THAT SAID files indicate the common and identical ownership of interest in all of the SE/4 of the SW/4 of Section 4, T22S, R37E, Lea County, New Mexico.

CERTIFICATION: - I hereby certify that the statements made in this document are to the best of my knowledge, true and correct.

NAME: Thomas R Land, CPL

DATE: March 26, 2004

TITLE: Consulting Landman

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.

Indicate Type of Lease

STATE ☐

FEE ☐

State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

Lease Name or Unit Agreement Name

E. A. Sticher

Type of Well:

OIL
WELL ☐

GAS
WELL ☐

OTHER

Name of Operator

Arch Petroleum Inc

Well No.

Address of Operator

P. O. Box 10340, Midland, TX 79702-7340

Pool name or Wildcat

Well Location

Unit Letter _____ Feet From The _____ Line and _____ Feet From The _____ Line

Section

Township

Range

NMPM

County

Elevation (Show whether DF, RKB, RT, GR, etc.)

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Pool Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

¹²Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Arch Petroleum Inc. request permission to pool commingle oil and gas production from the E. A. Sticher #2, #3 and #4 wells.

The E. A. Sticher #2 well is producing from the Blinebry pool, the E. A. Sticher #3 well is producing from the Tubb Oil and Gas pool and the E. A. Sticher #4 well is producing from the Penrose Skelly Grayburg pool.

Oil & gas production will be allocated based on well tests.

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

SIGNATURE

Cathy Wright

TITLE

Sr. Operation Tech

DATE

03/26/04

TYPE OR PRINT NAME

Cathy Wright

432-685-8100

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 14, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

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

Attention: Ms. Cathy Wright

Re: Surface Commingling Application
E.A. Sticher Lease
Lea County, New Mexico

Dear Ms. Wright:

I have reviewed your application to surface commingle Tubb, Blinebry and Penrose Skelly-Grayburg Pool production on the E.A. Sticher Lease in Lea County, New Mexico. Please be advised that if well tests are to be used as the allocation method, Rule No. 303(B)(3)(b) requires that a tabulation of production be furnished for each commingled well showing that the average daily production over a 60-day period has been below the top unit allowable for the pool in which it is producing. Your application contained no such production data.

Please furnish the required production data, at which time your application will be processed.

If you should have any questions, please contact me at (505) 476-3466.

Sincerely,

David Catanach
Engineer/Examiner



POGO PRODUCING COMPANY

April 23, 2004

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Attn: Mr. David Catanach

RECEIVED

APR 24 2004

OIL CONSERVATION
DIVISION

Re: Surface Commingling Application
E. A. Sticher Lease
Lea County, NM

Dear Mr. Catanach:

Here is the production information you requested for the E. A. Sticher lease. If you need any other information, please give me a call.

Sincerely,

Cathy Wright
Sr. Operation Tech

Oil Well Test Summary Report

Battery: E.A. Sticher
Satellite: All Satellites
Well: All Wells
Start Date: 02/01/2004 End Date: 04/22/2004

Name	Test Date	Hrs Test hrs	Test Type	Oil Volume bbl	Water Volume bbl	Gas Volume mscf
Sticher #2	11/04/2003	24	Single Day	1	3	35
Sticher #2	02/23/2004	24	Single Day	1	1	30
Sticher #3	11/12/2003	24	Single Day	1	2	22
Sticher #3	02/24/2004	24	Single Day	1	1	20
Sticher #3	03/22/2004	24	Single Day	1	1	32
Sticher #4	03/24/2004	24	Single Day	35	19	60
Sticher #4	03/25/2004	24	Single Day	43	36	130
Sticher #4	03/26/2004	24	Single Day	43	14	143
Sticher #4	03/27/2004	24	Single Day	39	13	147
Sticher #4	03/28/2004	24	Single Day	43	10	138
Sticher #4	03/29/2004	24	Single Day	48	10	140