



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 18, 2004

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 NSP-1877

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 June 25, 2004 (*administrative application reference No. pSEM0-418047171*); and (ii) the Division's records in Hobbs and Santa Fe: all concerning Arch's request for a non-standard 160-acre gas spacing unit comprising the following acreage in the Jalmat Gas Pool (79240):

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 28: NE/4.

This unit is to be dedicated to Arch's existing C. E. Lamunyon Well No. 23 (API No. 30-025-22402), located a standard gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 28.

Your application submitted on behalf of Arch 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.

By the authority granted me under the provisions of Rules 4 (C) (1) (a) and 4 (D) of the special rules now governing the Jalmat Gas Pool, the above-described 160-acre non-standard gas spacing unit is hereby approved.

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/mes

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