

|                 |                 |             |             |          |                     |
|-----------------|-----------------|-------------|-------------|----------|---------------------|
| DATE IN 4/11/03 | SUSPENSE 5/1/03 | ENGINEER MS | LOGGED IN M | TYPE NSL | OTHER NO 0310426140 |
|-----------------|-----------------|-------------|-------------|----------|---------------------|

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 \_\_\_\_\_

APR 11 2003

[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.

James Bruce  
 Print or Type Name

Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

Date

4/11/03

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

April 11, 2003

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Rule 104.F(2), Arch Petroleum Inc. applies for approval of an unorthodox oil well location for the following well:

|                   |  |
|-------------------|--|
| <u>Well:</u>      | C.E. Lamunyon Well No. 85  |
| <u>Location:</u>  | 2360 feet FNL & 2630 feet FWL  |
| <u>Well Unit:</u> | SE $\frac{1}{4}$ NW $\frac{1}{4}$ S28, Township 23 South, Range 37 East,<br>NMPM, Lea County, New Mexico |

The well will be drilled to test the Teague Paddock-Blinebry Pool, which is an oil pool developed on statewide spacing.

Attached as Exhibit A is a structure/production map of the Teague Paddock-Blinebry Pool, with the location of the well highlighted. The location is at a structurally good location, and moves east from the existing No. 38 well, which is a poor producer. It is also situated midway between three existing wells, in the anticipation that it will recover undrained reserves. **The SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 28 will be simultaneously dedicated to the Nos. 38 and 85 wells,** and applicant requests approval of the simultaneous dedication.

The well was originally located 2310 feet from the north line of Section 28. However, due to pipelines, the BLM has required that the well be moved 50 feet south of the original location. Applicant does not desire to move the well north of the original location, because that would place it too near the wells in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

In addition, the well is potentially prospective in the Langlie-Mattix Pool, and applicant requests unorthodox approval in that zone. That pool is also developed on statewide spacing.

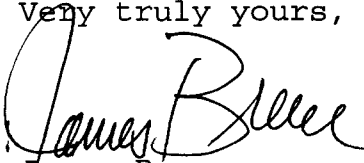
The offsetting acreage is owned as follows:

| <u>Tract</u>         | <u>Lessor</u>       | <u>Operator/Working Interest Owner</u>  |
|----------------------|---------------------|---|
| N $\frac{1}{4}$ §28  | U.S.A.<br>LC 030187 | Arch Petroleum Inc. (100% WI)   |
| SW $\frac{1}{4}$ §28 | U.S.A.<br>LC 057420 | OXY USA WTP Limited Partnership<br>(Langlie-Mattix Pool)<br>Myers Partners Inc.<br>(Teague Paddock-Blinebry Pool) |
| SE $\frac{1}{4}$ §28 | U.S.A.<br>NM 27725  | Arch Petroleum Inc. (100% WI)   |

Notice has been given to the offsets, and copies of those letters are attached as Exhibits C and D.

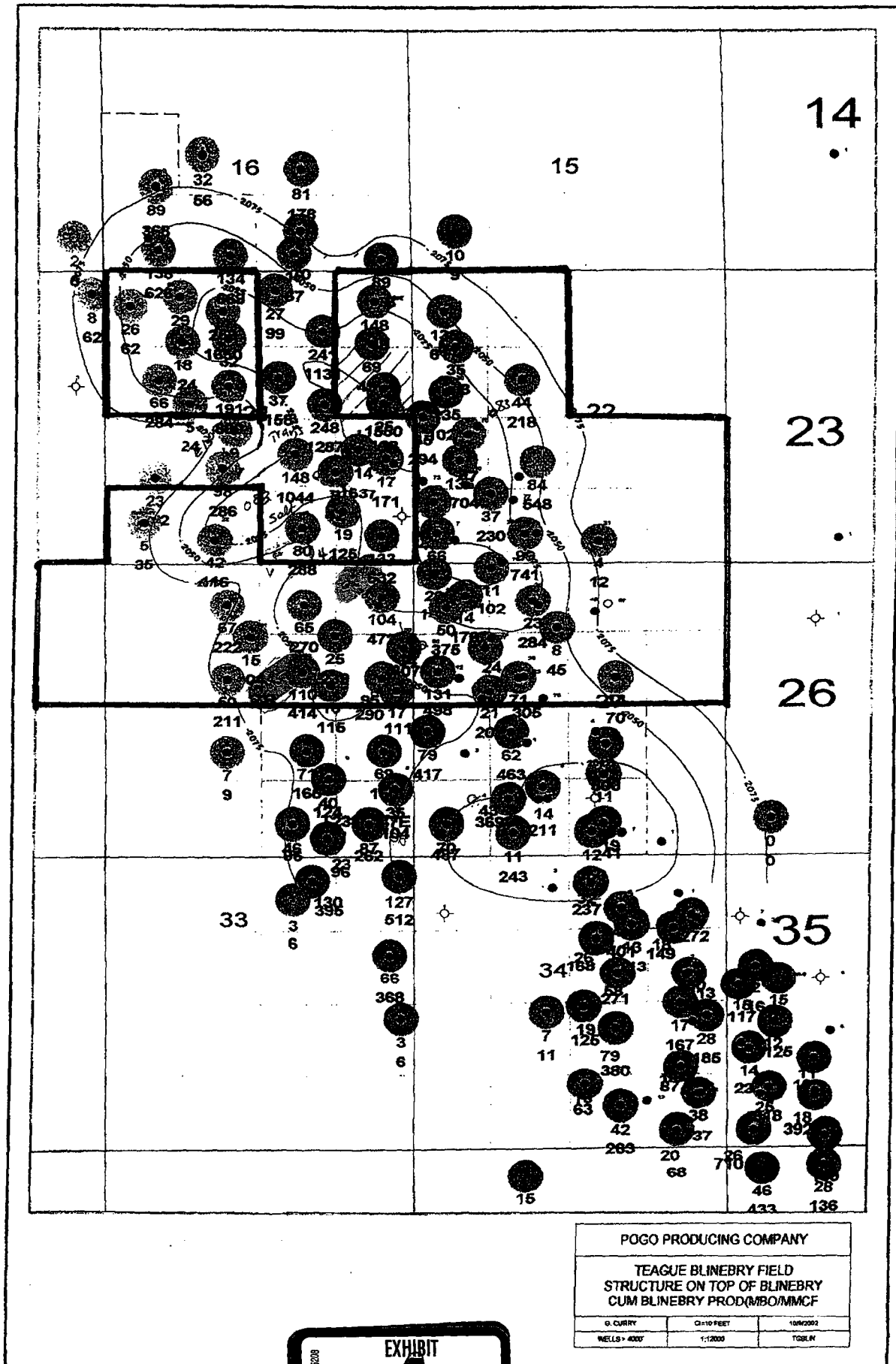
Please call me if you need anything further regarding this matter.

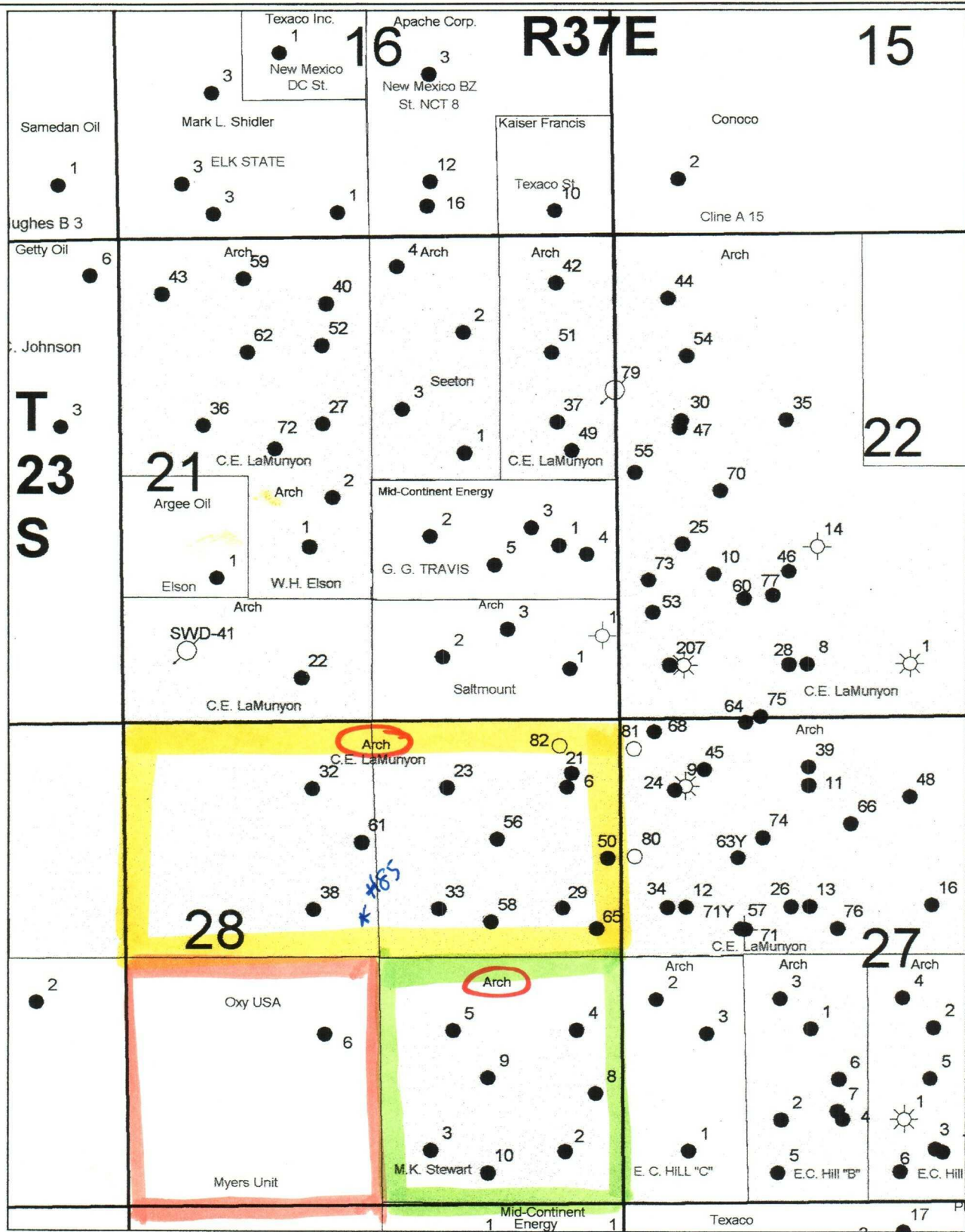
Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.





Blumberg No. 5208

**EXHIBIT**

**B**

| ARCH PETROLEUM INC.       |                           |  |
|---------------------------|---------------------------|--|
| TEAGUE PROSPECT LEASE MAP |                           |  |
| GEOLOGIST:<br>G. CURRY    | Date:<br>30 October, 2002 |  |
| Scale:<br><Scale>         | BASE LEASE GMP            |  |

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jamesbruc@aol.com

April 11, 2003

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

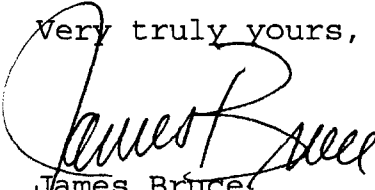
M.A. Sirgo III  
Myers Partners Inc.  
P.O. Box 3805  
Midland, Texas 79702

Dear Mr. Sirgo:

Enclosed is a copy of an application for administrative approval of an unorthodox oil well location, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the C.E. Lamunyon Well No. 85 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 28, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico. If you object to the location, you must notify the Division, in writing, no later than May 1, 2003 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

If you do not object to the unorthodox location, Arch Petroleum Inc. requests that you sign the waiver below and return it to me. Thank you.

Very truly yours,

  
James Bruce

Attorney for Arch Petroleum Inc.

Myers Partners Inc. does not object to the well location.

By: \_\_\_\_\_

Date: \_\_\_\_\_



**JAMES BRUCE**

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**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

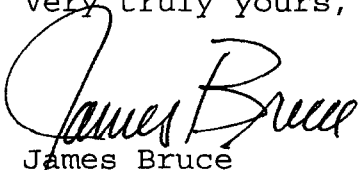
OXY USA WTP Limited Partnership  
P.O. Box 50250  
Midland, Texas 79710

Ladies and Gentlemen:

Enclosed is a copy of an application for administrative approval of an unorthodox oil well location, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the C.E. Lamunyon Well No. 85 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 28, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico. If you object to the location in the Langlie-Mattix Pool, you must notify the Division, in writing, no later than May 1, 2003 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

If you do not object to the unorthodox location, Arch Petroleum Inc. requests that you sign the waiver below and return it to me. Thank you.

Very truly yours,

  
James Bruce

Attorney for Arch Petroleum Inc.

OXY USA WTP Limited Partnership does not object to the well location.

By: \_\_\_\_\_

Date: \_\_\_\_\_

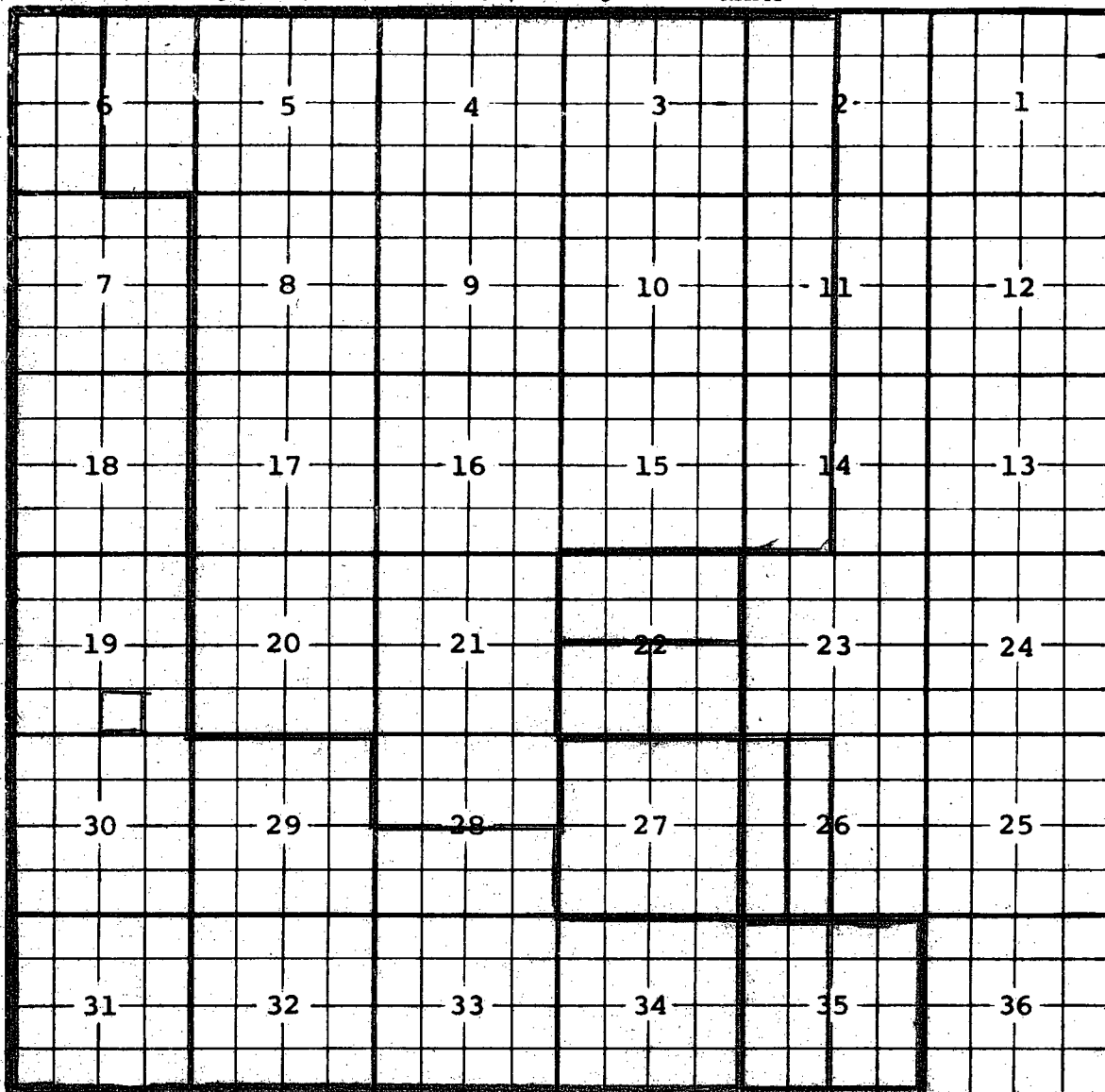


COUNTY Lea

POOL

Langlie-MattixLower 100' of SR,# Q & QTOWNSHIP 23 SouthRANGE 37 East

NMPM



Defined:  $\frac{W}{2}$  Sec. 6; All Secs. 7, 18, 19;  $\frac{S}{2}$  Sec. 28; All Secs. 29 thru 34 (R-50, 1-1-50)

Ext:  $\frac{W}{2}$  Sec. 35 (R-17A, 5-22-50) -  $\frac{E}{2}$  Sec. 35 (R-124, 1-8-52) - All Sec. 27 (R-136, 3-20-52)

$\frac{W}{2}$  Sec. 26 (R-175, 7-24-52) -  $\frac{E}{2}$   $\frac{W}{2}$  Sec. 26 (R-561, 12-16-54) -  $\frac{W}{2}$  Sec. 2;

All Secs. 3, 4, 5;  $\frac{E}{2}$  Sec. 6; All Secs. 8, 9, 10;  $\frac{W}{2}$  Sec. 11;  $\frac{W}{2}$  Sec. 14; All Secs. 15, 16, 17, 20, 21;

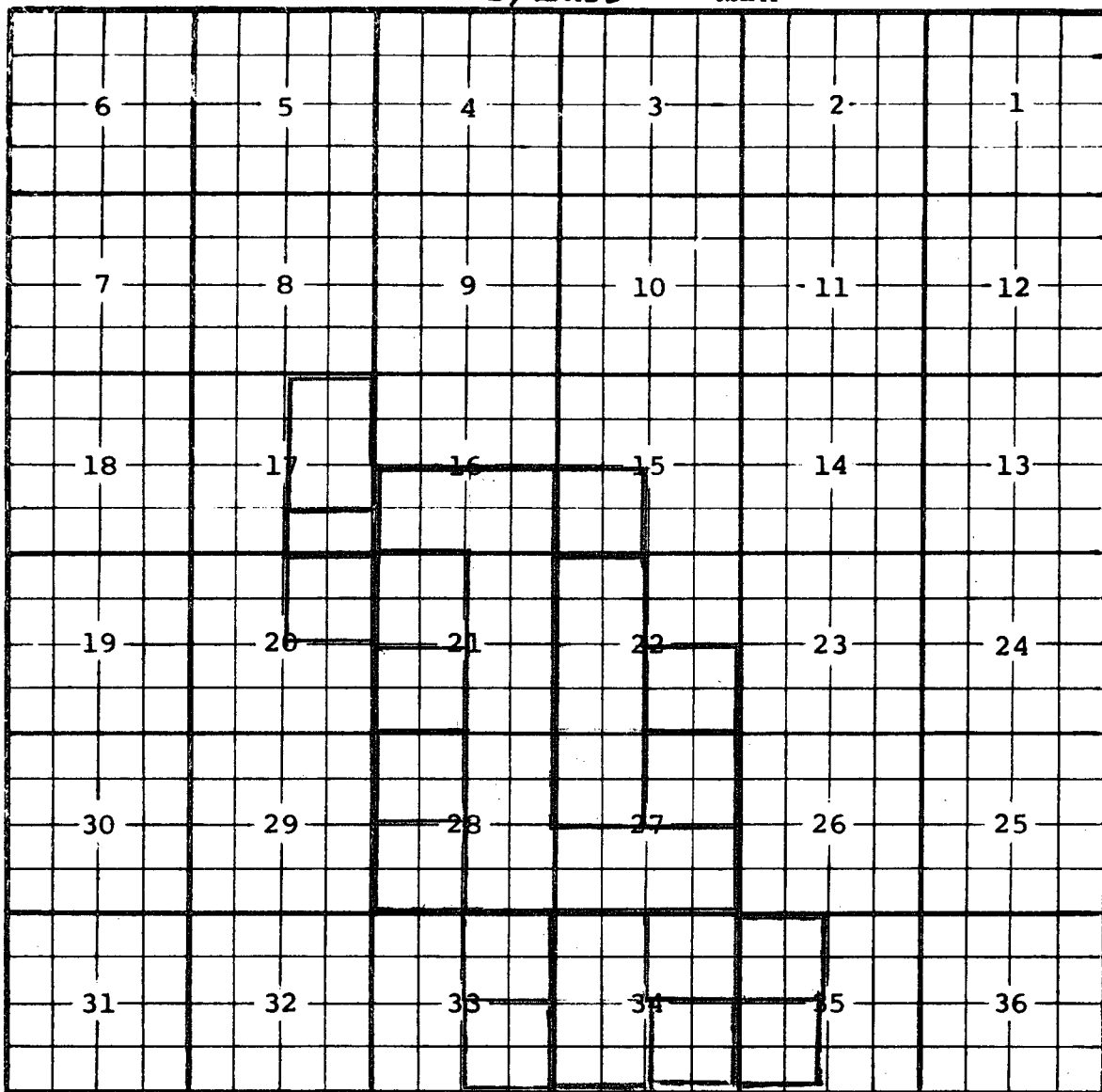
$\frac{N}{2}$  Sec. 28 (R-767-A, 4-1-56) -  $\frac{N}{2}$  Sec. 22 (R-1424, 7-1-59) -  $\frac{SW}{4}$  Sec. 22 (R-1466, 9-1-59)

$\frac{N}{2}$  Sec. 22 (R-1509, 11-1-59) - Extend Vertical limits to include Grayburg formation (R-4423, 11-1-72)

□ Vertical limits extended to a subsurface depth of 3362 feet  $\frac{SW}{4}$  Sec. 19 (R-6618, 3-6-81)



POOL *Teague - Blinbry*



Description:  $\frac{S}{4}$  Sec. 16;  $\frac{E}{4}$  Sec. 21;  $\frac{S}{4}$  Sec. 27;  $\frac{E}{4}$  Sec. 28 (R-3280, 8-1-67)  
 $-\frac{SW}{4}$  Sec. 21 (R-3355, 1-1-68) -  $\frac{W}{4}$  Sec. 22;  $\frac{NW}{4}$  Sec. 27 (R-3389, 4-1-68)  
 $-\frac{NE}{4}$  Sec. 33 (R-3402, 6-1-68) -  $\frac{NW}{4}$  Sec. 21;  $\frac{SE}{4}$  Sec. 22;  $\frac{NW}{4}$  Sec. 28 (R-3438, 7-1-68)  
 $-\frac{SW}{4}$  Sec. 28 (R-3530, 11-1-68) -  $\frac{NE}{4}$  Sec. 20 (R-3662, 2-1-69) -  $\frac{SW}{4}$  Sec. 15;  $\frac{SE}{4}$  Sec. 33 (R-3731, 5-1-69)  
 $-\frac{S}{2}$   $\frac{SE}{4}$  Sec. 17;  $\frac{NE}{4}$  Sec. 27 (R-3895, 1-1-70) -  $\frac{NE}{4}$  Sec. 34 (R-4329, 7-1-72)

Ext: 864 Sec. 35 (R-10776, 2-28-97)