

5/26/00

6/12/00

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NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [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 - Directional Drilling

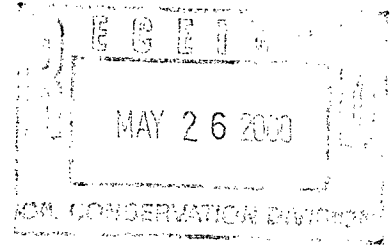
☒ NSL ☐ NSP ☐ DD ☐ SD

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
[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

James Bruce

Stephen For
Applicant

5/26/00

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

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

May 26, 2000

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

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

C.E. Lamunyon Well No. 71
2310 feet FNL & 1310 feet FWL
SW $\frac{1}{4}$ NW $\frac{1}{4}$ S27, Township 23 South, Range 37 East, NMPM
Lea County, New Mexico

The well will be drilled to test the McKee zone (Teague (Simpson) Pool), which is an oil pool developed on statewide spacing. A Form C-102 for the well is attached as Exhibit A.


The proposed location is based upon engineering and geological reasons. Attached as Exhibit B is a structure map of the McKee, with the proposed well highlighted in red. The C.E. Lamunyon Well Nos. 12 (in the SW $\frac{1}{4}$ NW $\frac{1}{4}$) and 13 (in the SE $\frac{1}{4}$ NW $\frac{1}{4}$), offsetting the proposed well, were McKee producers which have been plugged and abandoned. The proposed well is situated approximately equidistant between the plugged and abandoned wells, to recover reserves which were not recovered by the Nos. 12 and 13 wells. The map also shows that the proposed location maintains a high structural position, while remaining in the northwest-southeast trend of past and current McKee production.

Exhibit B also outlines the C.E. Lamunyon lease, which covers the N $\frac{1}{2}$ of Section 27 (and other acreage). It is a single federal lease, with common working, royalty, and overriding royalty interests. Therefore, the proposed well does not encroach on any offset owner, and notice of this application was not given to

anyone.

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

Very truly yours,



James Bruce
Attorney for Arch
Petroleum Inc.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK
 DRILL ☒ DEEPEN ☐
 2. TYPE OF WELL
 OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONES ☐

3. NAME OF OPERATOR
 ARCH PETROLEUM, INC. (RICHARD WRIGHT 915-685-8140)
 4. ADDRESS AND TELEPHONE NO.
 P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (915-685-8100)

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 2310' FNL & 1310' FNL SEC. 27 T23S-R37E LEA CO. NM.
 At proposed prod. zone SAME

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 Approximately 10 miles Southeast of Eunice New Mexico

7. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drg. well line, if any) 1310'

8. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 200'

9. ELEVATIONS (Show whether DF, RT, CR, etc.)

3288' GR.

10. NO. OF ACRES IN LEASE

1520

11. PROPOSED DEPTH
 9800'

12. NO. OF ACRES ASSIGNED TO THIS WELL

40

13. ROTARY OR CASEH TOOLS
 ROTARY

14. APPROX. DATE WORK WILL START
 WHEN APPROVED

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix.
17 1/2"	H-40 13 3/8"	48	500'	600 Sx. Circulate to surface.
11"	J-55 8 5/8"	32 & 24	3000'	1200 Sx. Circulate to surface.
7 7/8"	N-80 5 1/2"	17	9800'	1150 Sx. Top cement 2500' ±

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 500'. Run and set 500' of 13 3/8" H-40 48# ST&C casing. Cement with 600 Sx. of Class "C" cement + additives, circulate cement to surface.
3. Drill 11" hole to 3000'. Run and set 3000' of 8 5/8" J-55 32 & 24 # ST&C casing. Cement with 1200 Sx. of Class "C" cement + additives, circulate cement to surface. 800' of 32# 2200' of 24#.
4. Drill 7 7/8" hole to 9800'. Run and set 9800' of 5 1/2" casing as follows: 2800' of 17# N-80 LT&C, 6000' of 17# J-55 LT&C, 1000' of 17# N-80 LT&C casing. Cement in two stages with DV tool at 5200' ±. Cement with 1150 Sx. of Class "H" cement + additives, estimate top of cement 2500' from surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

21. For Joe Garcia TITLE Agent DATE 05/04/00
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or records.



DISTRICT I

P.O. Box 1900, Hobbs, NM 88241-1900

DISTRICT II

P.O. Drawer 88, Artesia, NM 88211-0718

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name C.E. LaMUNYON	Well Number 71
OGRID No.	Operator Name ARCH PETROLEUM, INC.	Elevation 3288

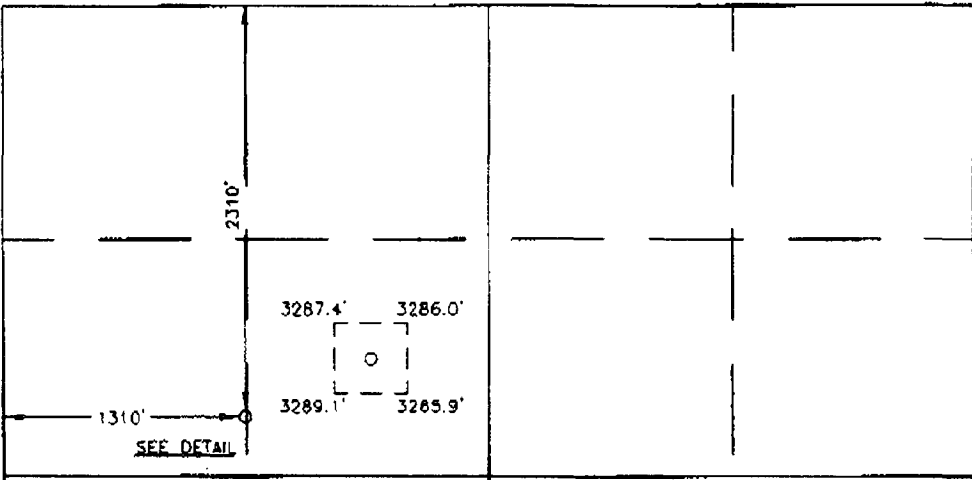
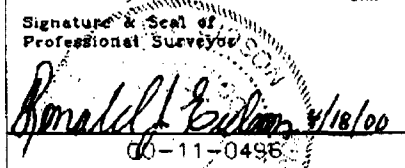
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	27	23 S	37E		2310	NORTH	1310	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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title _____ 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. APRIL 17, 2000 Date Surveyed _____ LMP Signature & Seal of Professional Surveyor _____  Certificate No. RONALD J. EIDSON 3239 CARY EIDSON 12641 MACON McDONALD 12185

LEGEND

→ GE Lamanya Lusa

ARCH PETROLEUM INC.

TEAGUE PROSPECT
LEA COUNTY, NEW MEXICO
MCKEE "C" STRUCTURE MAP

G CURRY	CMSO FEET	6/25/00
WELLS >= 1000	1 = 2000	TGMCHESQ.DDF

EXHIBIT

TABLE 1

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION06/15/00 11:14:36
OGOMES -TPKE
PAGE NO: 1

Sec : 27 Twp : 23S Rng : 37E Section Type : NORMAL

D 40.00 Federal owned A A A A	C 40.00 Federal owned A A A A	B 40.00 Federal owned A A C	A 40.00 Federal owned
E 40.00 Federal owned A A A	F 40.00 Federal owned A A A A	G 40.00 Federal owned A	H 40.00 Federal owned

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12*C.E. Lamunyon #12**#12**E**1980'FWL**660'FWL**30-025-10856*

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION06/15/00 11:21:13
OGOMES -TPKE
PAGE NO: 2

Sec : 27 Twp : 23S Rng : 37E Section Type : NORMAL

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

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

COUNTY *Lea*POOL *Teague**(Sim)*

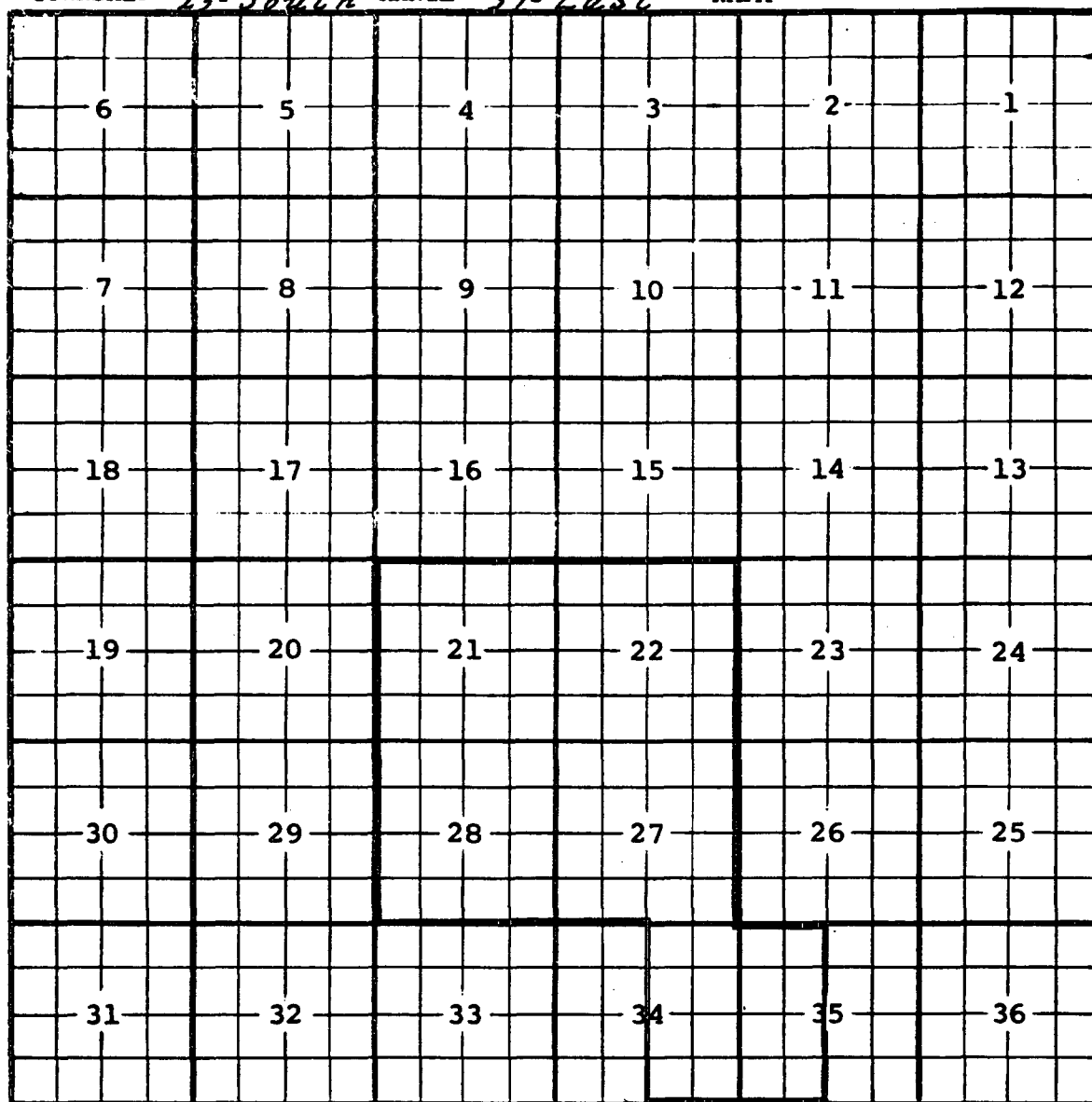
TOWNSHIP

23-South

RANGE

37-East

NMFM



Description: All Secs. 21, 22, 27, & 28. - $\frac{E}{2}$ Sec. 34; $\frac{W}{2}$ Sec. 35, (R-197, 10-20-52).