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May 19, 2000

Via Fax

Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Request for Expedited or Verbal Approval

Administrative application for unorthodox oil well
location

C.E. Lamunyon Well No. 70
2475 feet FSL & 1100 feet FWL
NW¼SW¼ S22, Township 23 South, Range 37 East, NMPM
Lea County, New Mexico

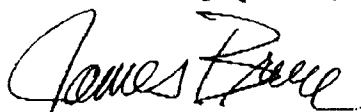
Dear Ms. Wrotenbery:

On May 17, 2000, Arch Petroleum Inc. ("Arch") applied for administrative approval of an unorthodox infill oil well location for the above well. Arch has rig availability problems, and desires to move a rig from a well currently drilling to the above location by Monday. The application is one in which the well is moving toward the interior boundary of a lease, and thus there are no affected offset interest owners.

Frankly, I hate to bother you about this matter. Arch did not send me the material supporting the application until early this week, when it should have been on my desk two or three weeks ago. Timing problems should be an operator's problem, and not the Division's. I inform my clients that, even in a situation where notice is not required, the Division has 20 days to issue an order. I know that, with the surge in activity during the past several months, the Division has numerous pending applications. Nonetheless, being able to move the rig promptly from one location to another will result in substantial savings to Arch.

Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Arch
Petroleum Inc.