



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 20, 2003

Arch Petroleum, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-3793-B

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-314047933*) submitted to the New Mexico Oil Conservation Division ("Division") on February 18, 2003 on behalf of the operator Arch Petroleum, Inc. ("Arch"); and (ii) the Division's records in Santa Fe, including the records on Division Administrative Orders NSL-3793 and NSP-1864 (L): all concerning Arch's request: (i) to amend Division Administrative Order NSL-3793 in order to correct a certain non-standard infill oil well within an existing standard 40-acre oil spacing and proration unit for the Teague-Paddock Blinbry Pool (58300); and (ii) for an unorthodox oil well location in the Langlie-Mattix Pool (37240).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Division Administrative Order NSL-3793, dated April 30, 1997, authorized, in part, Arch to drill and complete its C. E. Lamunyon Well No. 63 (API No. 30-025-33960) as an infill well within the Teague-Paddock Blinbry Pool on an existing 40-acre oil spacing and proration unit comprising the SE/4 NW/4 (Unit F) of Section 27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, at an unorthodox oil well location 1400 feet from the North line and 1340 feet from the West line of Section 27. The C. E. Lamunyon Well No. 63 was spud on July 21, 1997; however, problems were encountered during the early phase of drilling operations and on July 24, 1997 the hole was abandoned. On July 26, 1997 the rig on site was skidded 20 feet to the south and the replacement well, Arch's C. E. Lamunyon Well No. 63-Y (API No. 30-025-34153), was drilled at an alternate location, also unorthodox, 1420 feet from the North line and 1340 feet from the West line (Unit F) of Section 27. This well was subsequently completed within the Teague-Paddock Blinbry Pool on August 24, 1997.

Division Administrative Order NSL-3793 is hereby amended whereby all references to the C. E. Lamunyon Well No. 63 and its location is replaced with the C. E. Lamunyon Well No. 63-Y and its location. This amended order shall be made retroactive to April 30, 1997. All other provisions of

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Division Administrative Order NSL-3793 not in conflict with this amendment shall remain in full force and effect until further notice.

It is further understood that at this time Arch intends to recomplete this well up-hole to include both the Undesignated Jalmat Gas Pool (79240) and Langlie-Mattix Pool. Pursuant to Division Rule 104.B (1), as revised, this location within the Langlie-Mattix Pool within a 40-acre oil spacing and proration unit also comprising the SE/4 NW/4 (Unit F) of Section 27, is also unorthodox. The Jalmat interval is covered in Division Administrative Order NSP-1864 (L), dated May 20, 2003.

The N/2 of Section 27 is within a single federal lease (U. S. Government lease No. LC-030187) with common mineral interest in which Arch is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract within the Langlie-Mattix interval.

By the authority granted me under the provision of Division Rule 104.F (2), as revised, the above-described unorthodox oil well location within the Langlie-Mattix Pool for Arch's above-described C. E. Lamunyon Well No. 63-Y is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-3793
NSP-1864 (L)