

2/18

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Jalmat

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 _____

RECEIVED

~~FEB 17 2003~~
 Feb. 18, 2003
 Oil Conservation Division

[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

James Bruce
 Signature

Attorney for Applicant

Title
 jamesbruc@aol.com

e-mail Address

2/18/03
 Date

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

February 18, 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) and Division Order No. R-8170-P, Arch Petroleum Inc. ("Arch") applies for (1) an unorthodox gas well location in the Jalmat Gas Pool, (2) an unorthodox oil well location in the Langlie-Mattix Pool, and (3) a non-standard gas spacing and proration unit in the Jalmat Gas Pool, for the following well:

| | | |
|--------------------|---|----------------|
| <u>Well:</u> | C.E. Lamunyon Well No. 63Y | (30-025-34153) |
| <u>Location:</u> | 1420 feet FNL & 1340 feet FWL | |
| <u>Well Units:</u> | NW $\frac{1}{4}$ §27 (Jalmat Gas Pool) | |
| | SE $\frac{1}{4}$ NW $\frac{1}{4}$ §27 (Langlie-Mattix Pool) | |

Township 23 South, Range 37 East, NMPM, Lea County, New Mexico

The well was originally completed in the Teague Paddock-Blinebry Pool, which is an oil pool developed on statewide spacing. See Exhibit A. The well will be recompleted uphole in the Yates, Seven Rivers and Queen formations. Therefore, it will be completed in both the (Undesignated) Jalmat Gas Pool and the (Designated) Langlie-Mattix Pool.

The well's unorthodox location (in the Teague Paddock-Blinebry Pool) was approved by Administrative Order NSL-3793 (attached as Exhibit B). However, problems were encountered during drilling, and the location was moved to the above-specified location. Apparently written approval was not obtained for the "new" location. See Exhibit C.

Exhibit D outlines (in orange) the C.E. Lamunyon lease (Federal Lease LC 030187), which covers (among other acreage) the N $\frac{1}{2}$ of Section 27. Because the location is interior to the lease, and interest ownership in the lease is common, no one is affected by the unorthodox location. Therefore, notice of the unorthodox location has not been given to anyone.

Regarding the non-standard unit, ownership of the offsetting acreage is as follows:

1. N $\frac{1}{2}$ §27:

| <u>Owners</u> | <u>Status</u> |
|---------------------|---------------------------------|
| Arch Petroleum Inc. | Working Interest Owner/Operator |

2. W $\frac{1}{2}$ SW $\frac{1}{4}$ §27:

| <u>Owners</u> | <u>Status</u> |
|------------------------|---------------------------------|
| Arch Petroleum Inc. | Working Interest Owner/Operator |
| Apache Corporation | Working Interest Owner |
| Audrey M. Baker | Working Interest Owner |
| William R. Dean | Working Interest Owner |
| E.G.L. Resources, Inc. | Working Interest Owner |
| Rhombus Energy Company | Working Interest Owner |

3. E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ §27:

| <u>Owners</u> | <u>Status</u> |
|---------------------|---------------------------------|
| Arch Petroleum Inc. | Working Interest Owner/Operator |

4. E $\frac{1}{2}$ SE $\frac{1}{4}$ §27:

| <u>Owners</u> | <u>Status</u> |
|-------------------------|---------------------------------|
| Energen Resources Corp. | Working Interest Owner/Operator |

Pursuant to Order No. R-8170-P, the above-identified interest owners have been notified of this application. A copy of the notice letter mailed to them is attached hereto as Exhibit E.

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**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NMLC-030187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

C. E. Lamunyon #63Y

9. API WELL NO.

30-025-34153

10. FIELD AND POOL, OR WILDCAT

Teague Blinebry *Podoc*

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 27, T23S, R37E

12. COUNTY OR PARISH

Lea

13. STATE

NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

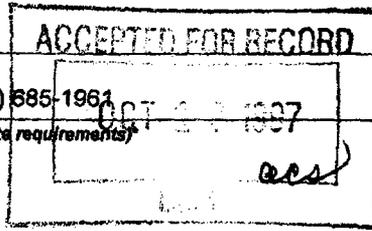
1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other 1980

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Hobbs NM 88241

2. NAME OF OPERATOR
Arch Petroleum Inc.

3. ADDRESS AND TELEPHONE NO.
10 Desta Drive, Suite 420E Midland, Texas 79705 (915) 885-1964

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 1421' FNL and 1341' FWL (Unit F)
At top prod. interval reported below 1420 1340
At total depth



14. PERMIT NO. DATE ISSUED 07/25/97 12. COUNTY OR PARISH 13. STATE

15. DATE SPUNDED 07/26/97 16. DATE T.D. REACHED 08/11/97 17. DATE COMPL. (Ready to prod.) 08/24/97 18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 3290'GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 5940' 21. PLUG, BACK T.D., MD & TVD 5914' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY ROTARY TOOLS R CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)* 5395 - 5815', Teague Blinebry 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN CPD/CNL, DDL/ML, CSL 27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)

| CASING SIZE/GRADE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
|-------------------|-----------------|----------------|-----------|---------------------------------|---------------|
| 8-5/8", J-55 | 23# | 1006' | 12-1/4" | Surface. 800 sx Class "C" | |
| 5-1/2", L.S. | 17# | 5940' | 7-7/8" | Surface. 1230 sx Class "C" | |

29. LINER RECORD 30. TUBING RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------|-------------|---------------|-------------|-------|----------------|-----------------|
| | | | | | 2-3/8 | 5391' | |

31. PERFORATION RECORD (Interval, size and number)
5394', 5420', 5435', 5455', 5478', 5499', 5554', 5594', 5614', 5639', 5649', 5661', 5690', 5705', 5724', 5735', 5750', 5766', 5790', 5815'.
3/8" guns; 21 selections. Total 84 holes.

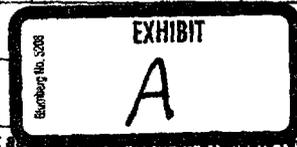
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|---|
| 5395-5815 | 2463 gallons 15% HCL acid |
| 5395-5815 | 65,000 gallons 40# gel w/70-50% CO2 and 213,400# 16/30 mesh Jordan Sand |

33. PRODUCTION

| DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) | WELL STATUS (Producing or shut-in) | | | | | |
|-----------------------|--|------------------------------------|------------------------|----------|------------|-------------------------|---------------|
| 08/28/97 | Flowing | Producing | | | | | |
| DATE OF TEST | HOURS TESTED | CHOKER SIZE | PROD'N FOR TEST PERIOD | OIL—BBL. | GAS—MCF. | WATER—BBL. | GAS-OIL RATIO |
| 09/18/97 | 24 | 26/64 | | 56 | 120 | 10 | 2143 |
| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL—BBL. | GAS—MCF. | WATER—BBL. | OIL GRAVITY-API (CORR.) | |
| 280 | 500 | | | | | 37.4 | |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold



35. LIST OF ATTACHMENTS
C-102, C-104, Inclination Report, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as shown on these records.
SIGNED Robin S. McCaskey TITLE Technical Assistant DATE 10/10/97

*(See Instructions and Spaces for Additional Data on Reverse Side)

MAY 08 1997



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 30, 1997

Arch Petroleum Inc.
10 Desta Drive - Suite 420 East
Midland, Texas 79705
Attention: Bobbie Brooks

Administrative Order NSL-3793

Dear Ms. Brooks:

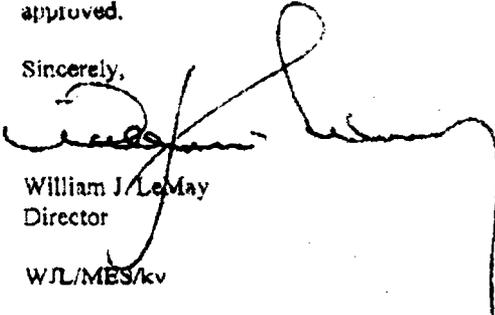
Reference is made to your application dated March 21, 1997 for the following four unorthodox Teague-Paddock Blinebry "infill" oil well locations within Arch Petroleum's C. E. Lamunyon (Federal) lease comprising the E/2 NE/4, NW/4, and S/2 SE/4 of Section 21, the W/2 and SE/4 of Section 22, the N/2 of Section 27, and the N/2 of Section 28, all in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico:

| Well No. | Footage Location | Dist. | Section | Designated Pool |
|----------|-----------------------|-------|---------|-----------------|
| 62 | 1350' FNL & 1300' FWL | E | 21 | SW/4 NW/4 |
| 63 | 1400' FNL & 1340' FWL | F | 22 | SE/4 NW/4 |
| 64 | 50' FNL & 1340' FWL | C | 27 | NE/4 NW/4 |
| 65 | 2310' FSL & 1340' FEL | H | 28 | SE/4 NE/4 |

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox infill oil well locations within the Teague-Paddock Blinebry Pool in Lea County, New Mexico are hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Cont.
Permit 1980
Hobbs, NM 88241

FORM APPROVED
Budget Bureau No. 1004-0136
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of well
 Oil Gas Other

2. Name of Operator
ARCH PETROLEUM, INC.

3. Address and Telephone No.
10 Desta Dr. Suite 420E, Midland, TX 79705 (915) 685-1961

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit F, 1420' FNL, 1340' FWL, Sec. 27, T23S, R37E(new hole)
~~Unit F, 1400' FNL, 1340' FWL, Sec. 27, T23S, R37E(old hole)~~

5. Lease Designation and Serial No.
NMLC - 030187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
C. E. Lamunyon #63

9. API Well No.
30-025-3415

10. Field and Pool, or Exploratory Area
TEAGUE BLINEBRY

11. County or Parish, State
LEA COUNTY, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| 12 | TYPE OF SUBMISSION | TYPE OF ACTION |
|----|---|--|
| | <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| | <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| | <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | | <input type="checkbox"/> Casing Repair |
| | | <input type="checkbox"/> Altering Casing |
| | | <input checked="" type="checkbox"/> Other Skid rig & spud new hole |
| | | <input type="checkbox"/> Change of Plans |
| | | <input type="checkbox"/> New Construction |
| | | <input type="checkbox"/> Non-Routine Fracturing |
| | | <input type="checkbox"/> Water Shut-Off |
| | | <input type="checkbox"/> Conversion to Injection |
| | | <input type="checkbox"/> Dispose Water |

(NB: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimate date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

MIRU Clint Hurt Drilling rig #8. Spud 11" hole @ 7:00 PM CDST 7/21/97.

TD 11" hole at 1005'. Ran 20 joints 8-5/8", 20#, X-42 CSG. Stuck casing at 891'. Pulled 100,000# and parted casing. Recovered 11 jts. Attempted to fish casing. Worked fish up hole 129' and stuck again. Left 9 jts casing in hole from 394'-762'

Do to high cost of recovering stuck pipe. The following plan is submitted for your approval.

1. Plug and abandon existing hole per BLM instructions.
 Set cement plug from 705'-1005'
 Set cement plug from surface to 444' (50' into stuck casing)
 Cement will be Class "C" neat

2. Skid drilling rig 20' South of original hole. Re spud well. New location will be OPEN GRID NO. 962
1420' from North line & 1340' from West line.
Section 27, T23S, R37E(unit F)
 See survey plat attached

Verbal approval given on 7/25/97 *dal.*

RECEIVED
 1997 JUL 29 RECEIVED
 BUREAU OF LAND MANAGEMENT
 ROSWELL OFFICE
 BUREAU OF LAND MANAGEMENT
 HOBBS, NEW MEXICO
 25 A
 9
 OPEN GRID NO. 962
 PROPERTY NO. 14898
 POOL CODE 58300
 EFF. DATE 10/6/97
 API NO. 30-025-3415

14. I hereby certify that the foregoing is true and correct

Signed Armando A. Lopez Title Geologist Date 7/23/97

(This space for Federal or State office use)
 Approved by (ORIG. SGD.) ARMANDO A. LOPEZ Title PETROLEUM ENGINEER Date 8/5/97

Conditions of approval, if any:



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

February 18, 2003

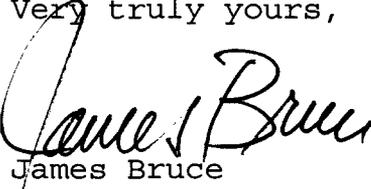
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and Gentlemen:

Enclosed is a copy of an application for administrative approval of an unorthodox well location and a non-standard gas spacing unit, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the C.E. Lamunyon Well No. 63Y, and the NW $\frac{1}{4}$ of Section 27, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico. You are not affected by the unorthodox location. However, if you object to the non-standard gas spacing unit, you must notify the Division, in writing, no later than Monday, March 10, 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.

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.



EXHIBIT A

Apache Corporation
Suite 100
2000 Post Oak Boulevard
Houston, Texas 77056

Attention: Mario R. Moreno, Jr.

Audrey M. Baker
809 Lawson
Midland, Texas 79701

William R. Dean
P.O. Box 1887
Eunice, New Mexico 88231

E.G.L. Resources, Inc.
P.O. Box 10886
Midland, Texas 79702

Attention: W. Wesley Perry

Rhombus Energy Company
P.O. Box 8316
Midland, Texas 79708

Energen Resources Corporation
Building 4, Suite 100
3300 North "A" Street
Midland, Texas 79705

Attention: Kenneth H. Gray