



Arch Petroleum Inc.

May 2, 1989

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Application for Permit to Drill
Resler Yates #381
Pool: Artesia-QN-GB-SA
Eddy County

Gentlemen:

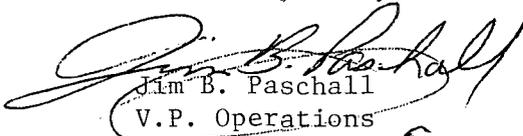
Please find enclosed Form C-101 and C-102 on the referenced well.

The Location depicted on the C-102 is Unorthodox. However, since it is an inside location, over ten(10) feet from a unit boundary and is necessary to permit the completion of an efficient production and injection pattern within a secondary recovery project (#R-966-E); Arch Petroleum hopes the Division Director will look favorably upon the application and grant an exception to Section "C", Rule 104 as provided in Section "F", Rule 104.

To follow shortly (under separate cover) will be Forms 108 (Application For Authorization To Inject) on the Resler Yates State wells #55, 370, 379, 380. These Forms will be filed to expand the Secondary Recovery Project which qualifies for Administrative Approval.

If I may be of additional assistance in this matter, please contact me at the telephone number listed below.

Yours very truly,


Jim B. Paschall
V.P. Operations

5/12/89 *Or sending copy of notice to Dept (5/2 Sec. 32) ASAP*

RECEIVED

MAY - 8 1989

OIL CONSERVATION DIV.
SANTA FE

Submit to Appropriate
District Office
State Lease -- 6 copies
Fee Lease -- 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL RE-ENTER DEEPEN PLUG BACK
b. Type of Well:
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name
Resler Yates State

2. Name of Operator
Arch Petroleum Inc.

8. Well No.
381

3. Address of Operator
Suite II-A, 777 Taylor Street

9. Pool name or Wildcat
Artesia-QN-GB-SA

4. Well Location
Unit Letter g : 1884 Feet From The North Line and 1394 Feet From The East Line
Section 32 Township 18 South Range 28 East NMPM Eddy County

10. Proposed Depth
2100

11. Formation
Grayburg

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3539 GR

14. Kind & Status Plug. Bond
Active Blanket

15. Drilling Contractor
Unknown

16. Approx. Date Work will start
6-1-89

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2	9 5/8	36	550	150	surface
9	7	20	2100	100	1550

Unorthodox Location.
Drill with rotary tools and set 7" casing through pay and perforate. Will Frac.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jim B. Paschall TITLE V.P. Operations DATE 5-2-89
TYPE OR PRINT NAME Jim B. Paschall 817 TELEPHONE NO 332 9209

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

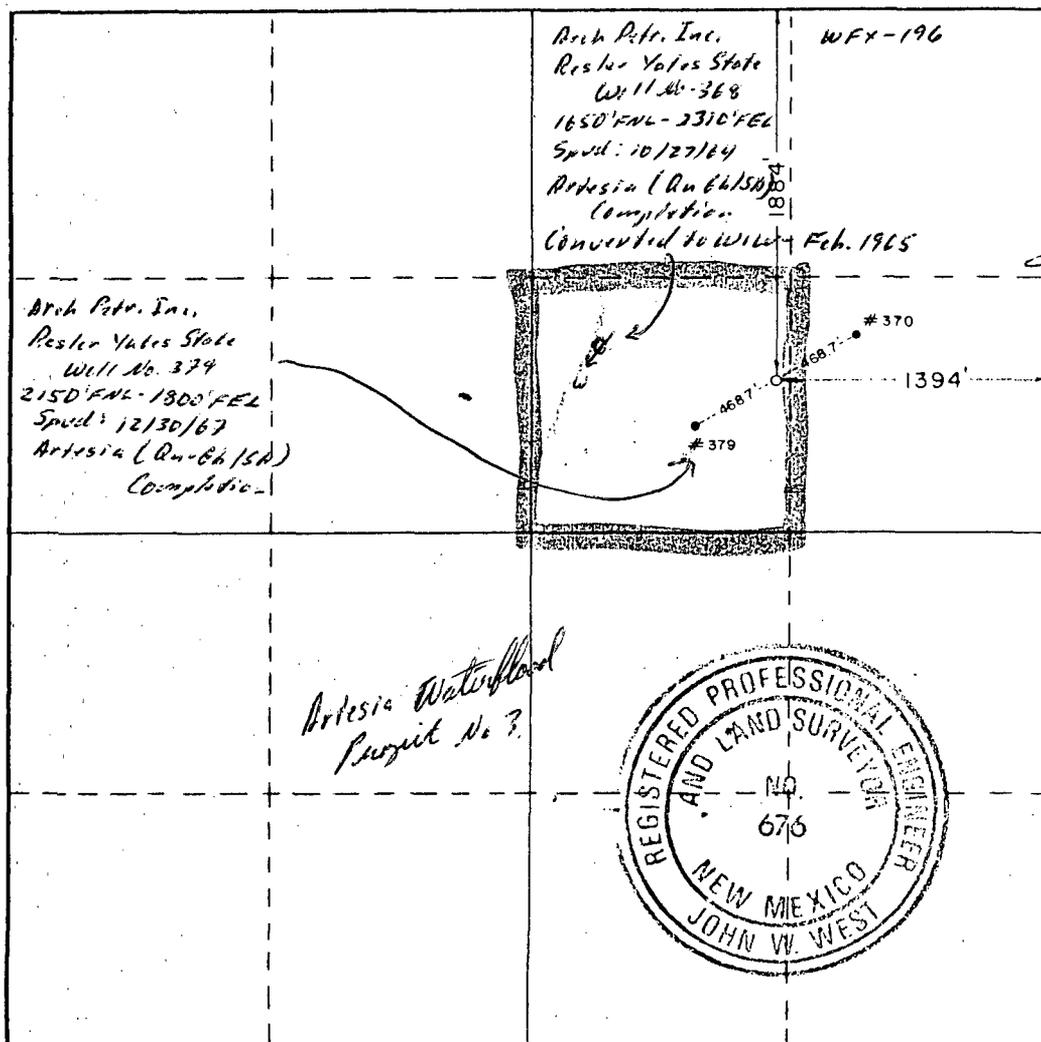
Operator Arch Petroleum Inc.		Lease Resler Yates State			Well No. 381
Unit Letter G	Section 32	Township 18 South	Range 28 East	County Eddy	
Actual Footage Location of Well: 1884 feet from the north line and 1394 feet from the east line					
Ground Level Elev. 3541.6	Producing Formation GRAYBORG	Pool ARTESIA-QW-GB-SA		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Jim B. Marshall
Name

V.P. Operations
Position

Arch Petroleum Inc.
Company

5/2/89
Date

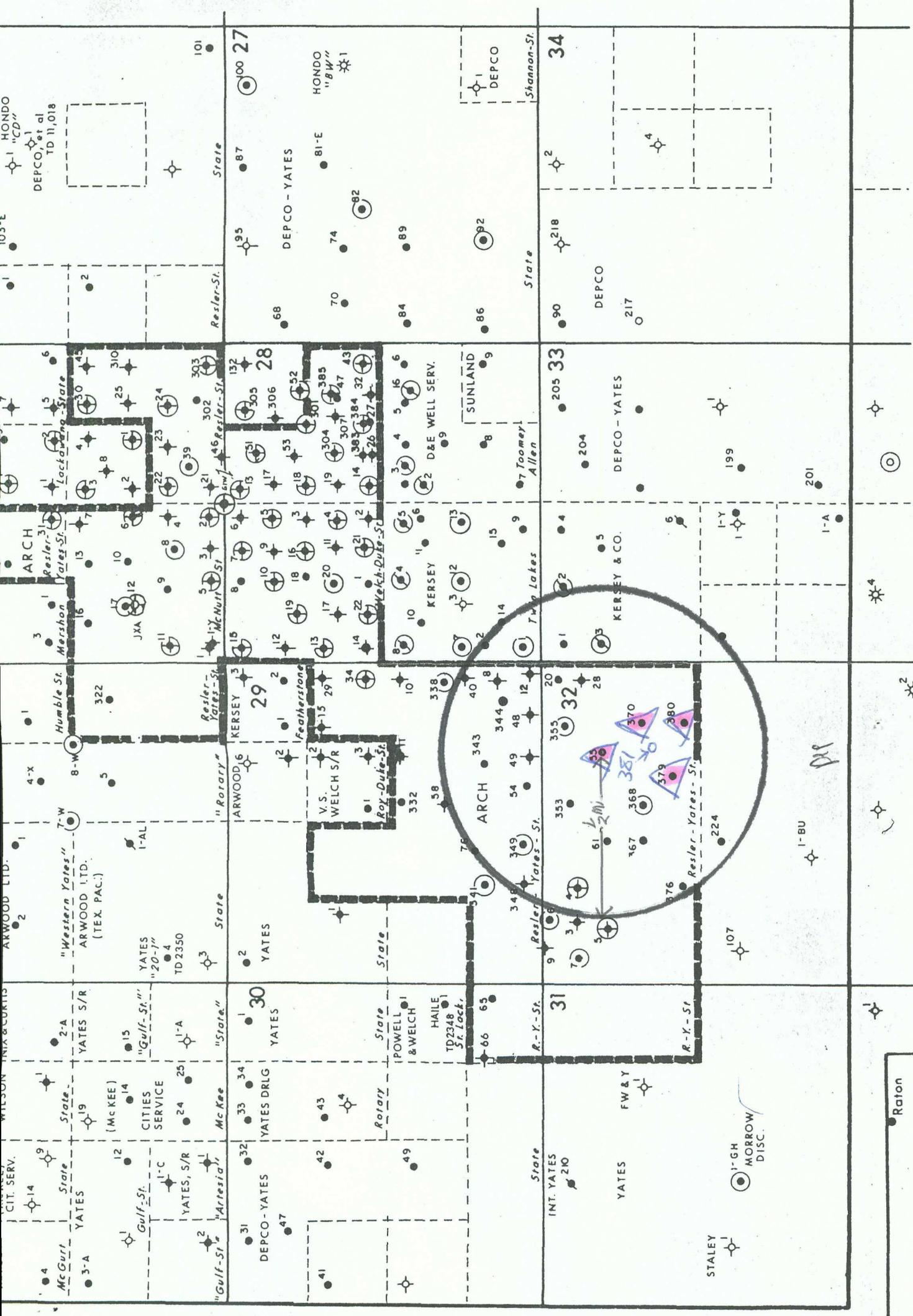
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 13, 1988

Registered Professional Engineer
and/or Land Surveyor

John W. West
Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239



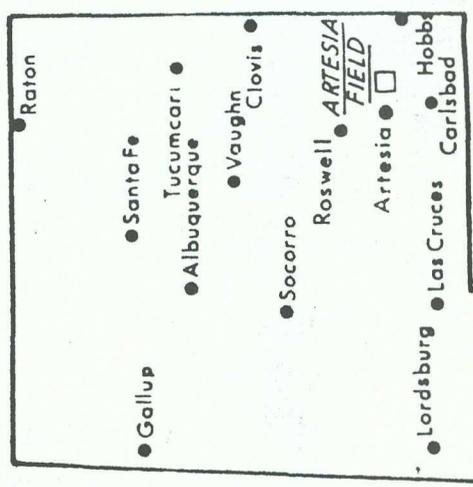
ARCH PETROLEUM, INC.

ARTESIA FIELD
Eddy County, New Mexico



Resler YATES STATE
well # 55

▲ wells to be converted to wfw



LOCATION OF MAP



Arch Petroleum Inc.

5-12-89

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MAY 16 1989

OIL CONSERVATION DIV.
SANTA FE

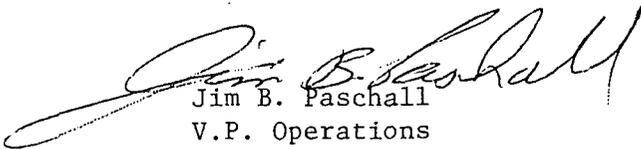
PETCO
PC LTD
P.O. Box 911
Breckenridge, Texas 76024-0911

RE: Application for Permit to Drill
Resler Yates #381
Pool: Aretsia-QN-GB-SA
Eddy County, New Mexico

Gentlemen:

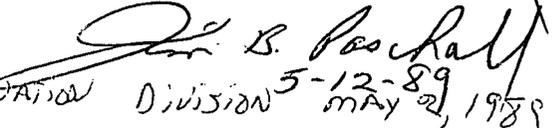
Please find enclosed documents submitted to the New Mexico Oil Conservation Division on the referenced well. If you have any objection to this application please notify Arch Petroleum and the Oil Conservation Division.

Yours very truly,


Jim B. Paschall
V.P. Operations

1ST ENDORSEMENT:
ATTN: MICHAEL STORNER

I certify THIS LETTER & ATTACHMENTS
WAS MAILED 5-12-89 TO THE ADDRESS
ABOVE PER OWN TELE CON THIS DATE

attachment 1 LTR TO OIL CONSERVATION DIVISION 5-12-89
2. FORM C101
3. FORM C102

MAY 21 1989