

NSL 4/15/97



Arch Petroleum Inc.

March 21, 1997

Application for Administrative Approval of
Five Unorthodox Well Locations
C. E. Lamunyon & M. K. Stewart Leases
Lea County, New Mexico

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

MAR 26 1997

On Separation 1 1997

Dear Mr. LeMay:

Arch Petroleum Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F(2) adopted on January 18, 1996, of the unorthodox well locations listed on attached Exhibit A.

Exhibit B is lease Base Map showing the proposed locations. These locations do encroach on immediately adjacent existing spacing units in the same pool. These adjacent spacing units are in the same lease as the subject wells and are also operated by Arch in all cases. Therefore, there are no affected parties to whom notice is required pursuant to the NMOCD rules.

Exhibit B also shows the 9 wells drilled under Phase 2 wells pursuant to various OCD NSL order numbers. The results of the production on these wells are encouraging and we are currently monitoring the results for the ultimate recovery per well.

These unorthodox locations in the Blinebry formation are necessary for geological reasons. Exhibit C is a porosity isopach map of the Blinebry. It shows the areal extent of the porosity development in the field. This development is made up of thin porosity stringers that are very discontinuous between wellbores. This discontinuity, coupled with the low average porosity of five to eight percent and low average permeability of 0.5 millidarcies causes low ultimate recoveries and inadequate drainage of the field based on current 40 acre locations.

Exhibit D is a Drainage Map showing the areas estimated to be drained by the existing wells in the Blinebry. The drainage areas shown were calculated and are listed on Exhibit E. The parameters used to make these

William J. LeMay, Director

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calculations are also shown. On Average, it is seen that the existing wells are expected to drain approximately 13 acres per well. It is therefore necessary to drill the subject wells to avoid waste and efficiently recover the available reserves.

Your attention to this request is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Bobbie Brooks".

Bobbie Brooks
Production Analyst

BB/

Attachments

cc: Mr. Jerry Sexton, District Supervisor
Oil Conservation Division - Hobbs

Mr. William F. Carr
Attorney for Arch Petroleum Inc.

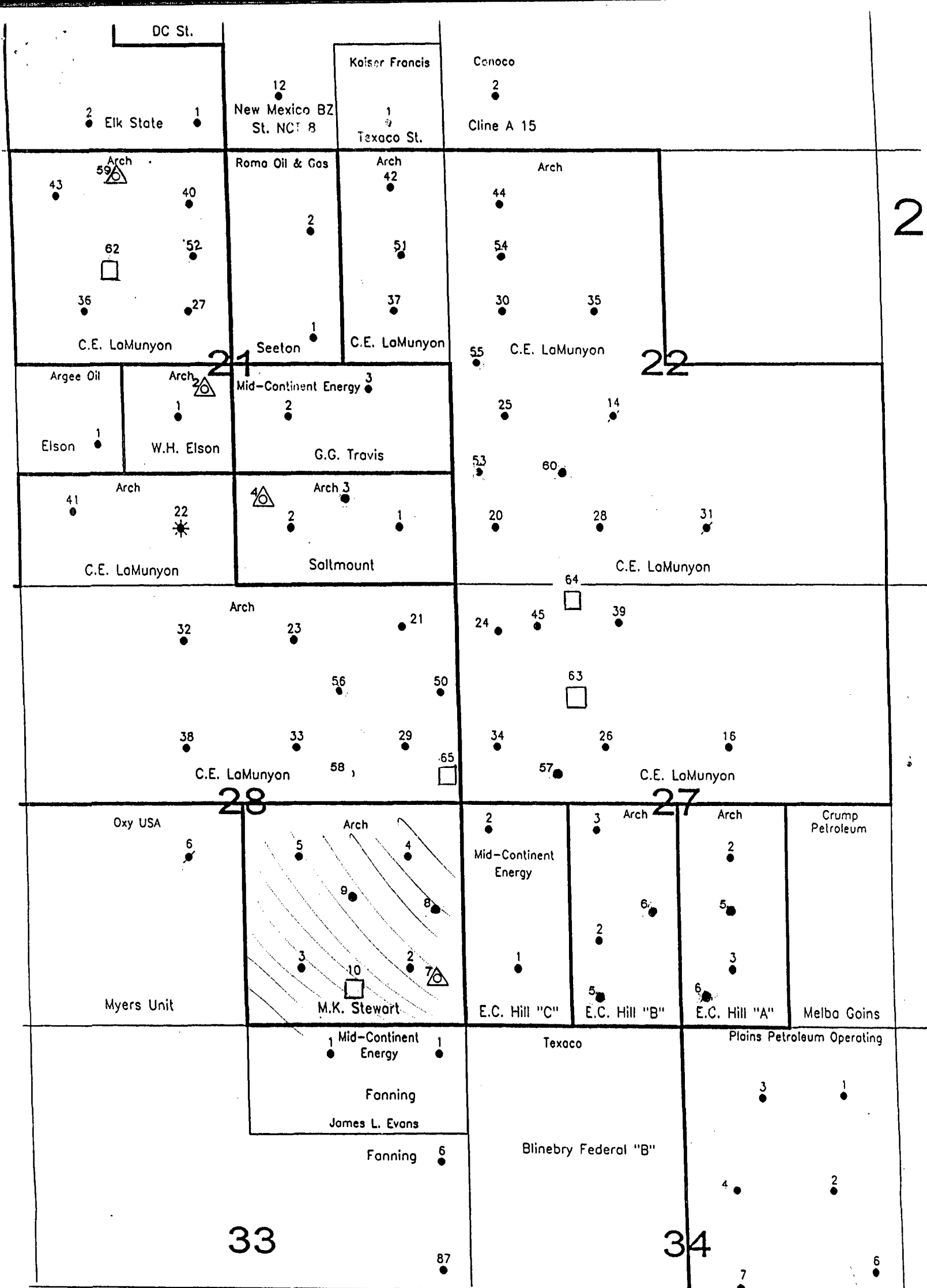
PROPOSED INFILL WELLS-TEAGUE PADDOCK-BLINEBRY POOL

ARCH PETROLEUM INC.

5 UNORTHODOX LOCATIONS

Proposed Well #	Acreage	Footages	Unit	Section	Township	Range
C. E. Lamunyon #62	Federal	1350' FNL, 1300' FWL	E	21	23S	37E
C. E. Lamunyon #63	Federal	1400' FNL, 1340' FWL	F	27	23S	37E
C. E. Lamunyon #64	Federal	50' FNL, 1340' FWL	C	27	23S	37E
C. E. Lamunyon #65	Federal	2310' FNL, 125' FEL	H	28	23S	37E
M. K. Stewart #10	Federal	330' FSL, 1340' FEL	O	28	23S	37E

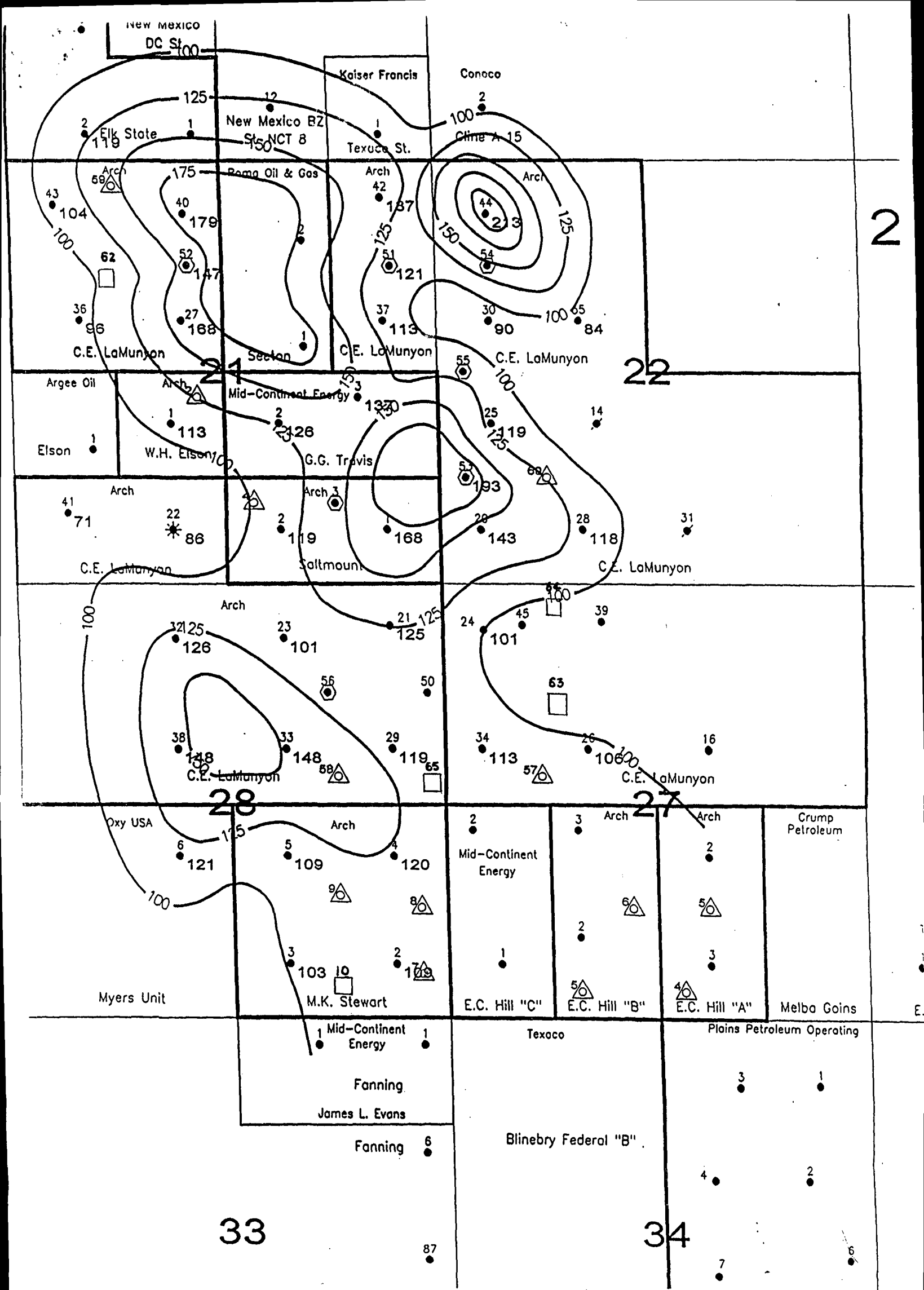
Exhibit No. A



LEGEND

EXHIBIT B

- Phase 3 Infill Wells
- △ Phase 2 Infill Wells
- Blinebry Producer



LEGEND

EXHIBIT C




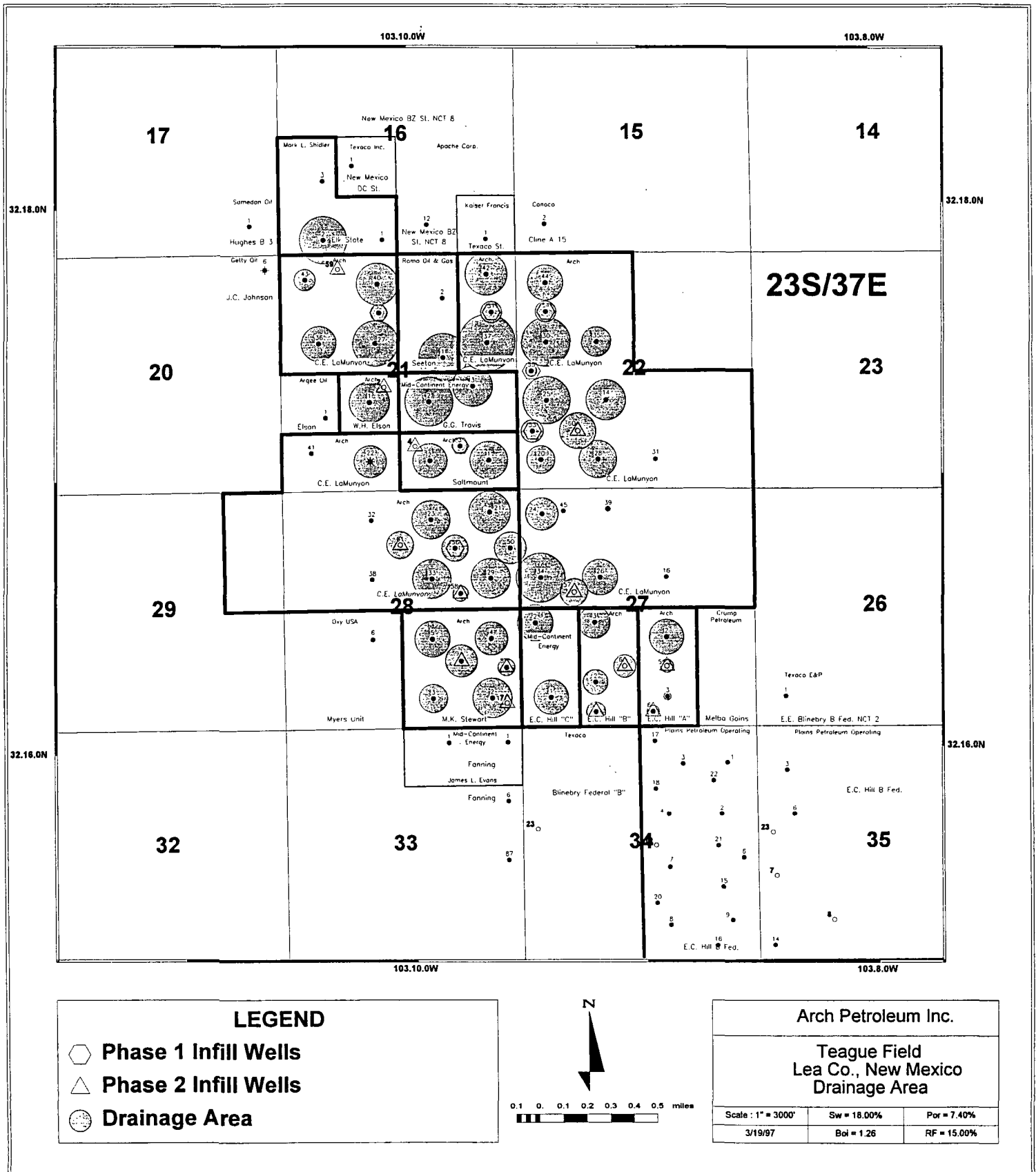
-  Phase 1 Infill Wells
-  Proposed Phase 2 Infill Wells
-  Blinbry Producer

Exhibit No. D



Teague Blinebry Field - Estimated Ultimate Recovery - Drainage Radius

<u>Lease - well</u>	<u>Ultimate Recovery STB</u>	<u>Net Pay Ft.</u>	<u>Drainage Acres</u>	<u>Drainag Radius Ft.</u>
C. E. Lamunyon No. 51	27831	121	4.10	239
C. E. Lamunyon No. 52	21347	147	2.59	190
C. E. Lamunyon No. 53	49449	193	4.57	252
C. E. Lamunyon No. 54	34252	155	3.94	234
C. E. Lamunyon No. 55	13093	193	1.21	130
C. E. Lamunyon No. 56	40639	112	6.47	300
C. E. Lamunyon No. 57	53325	139	6.85	308
C. E. Lamunyon No. 58	9624	77	2.23	176
C. E. Lamunyon No. 60	67062	100	11.97	407
C. E. Lamunyon No. 61	27187	72	6.74	306
E. C. Hill A No. 5	9349	99	1.69	153
E. C. Hill A No. 6	10000	127	1.41	140
E. C. Hill B No. 5	22870	120	3.40	217
E. C. Hill B. No. 6	28464	107	4.75	257
M. K. Stewart No. 8	23184	147	2.81	198
M. K. Stewart No. 9	61270	115	9.51	363
Saltmount No. 3	22736	195	2.08	170

Sw	18.00%
Por	7.40%
Bol	1.26
RF	15.00%

Exhibit No. E

COUNTY Lea

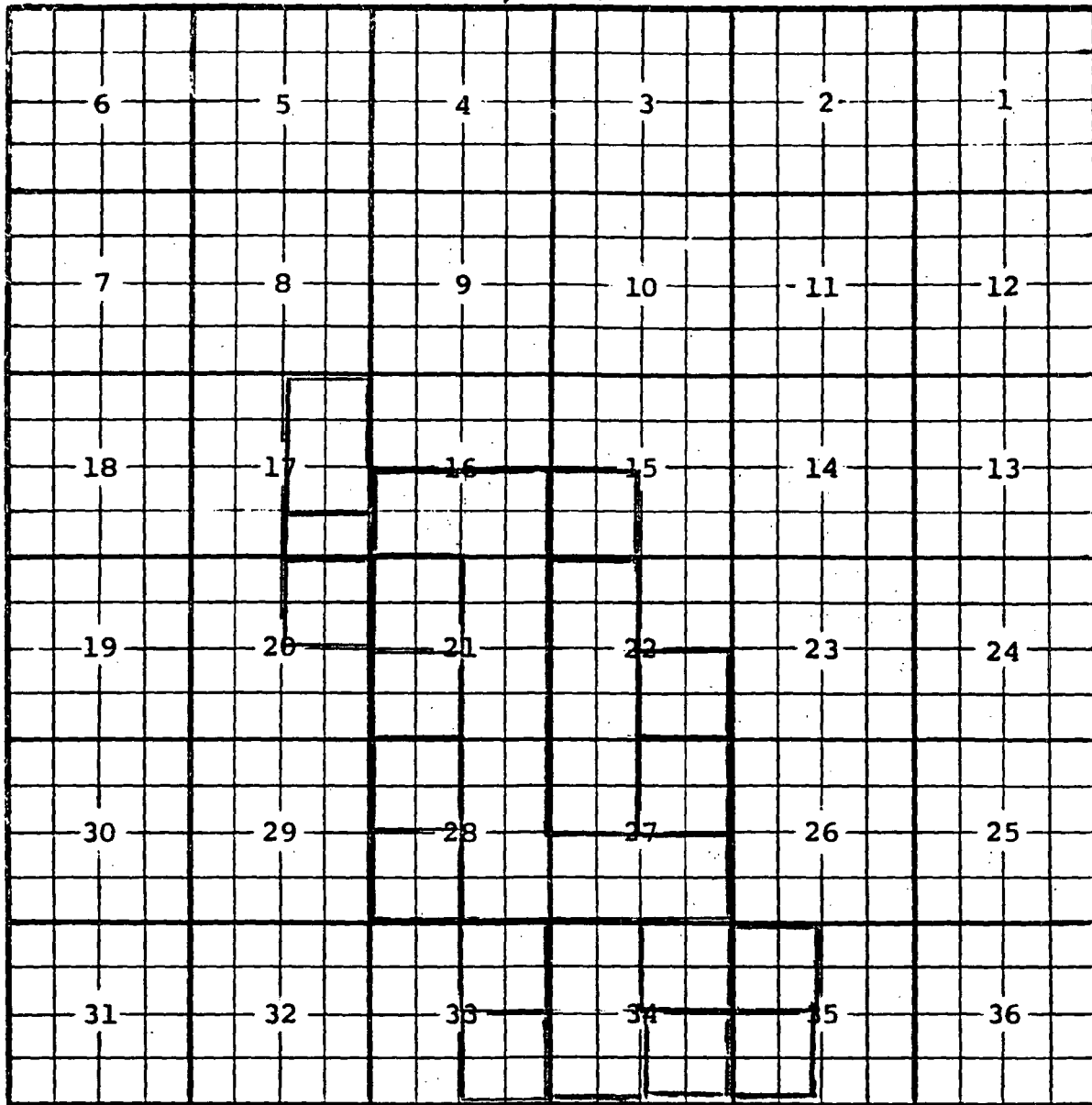
POOL

Teague - BlinebryTOWNSHIP 23 South

RANGE

37 East

NMFM



Description: $\frac{S}{2}$ Sec. 16; $\frac{E}{2}$ Sec. 21; $\frac{S}{2}$ Sec. 27; $\frac{E}{2}$ Sec. 28 (R-3280, 8-1-67)
- $\frac{SW}{4}$ Sec. 21 (R-3355, 1-1-68) - $\frac{W}{4}$ Sec. 22; $\frac{NW}{4}$ Sec. 27 (R-3389, 4-1-68)
- $\frac{NE}{4}$ Sec. 33 (R-3402, 6-1-68) - $\frac{NW}{4}$ Sec. 21; $\frac{SE}{4}$ Sec. 22; $\frac{NW}{4}$ Sec. 28 (R-3438, 7-1-68)
- $\frac{SW}{4}$ Sec. 28 (R-3530, 11-1-68) - $\frac{NE}{4}$ Sec. 20 (R-3662, 2-1-69) - $\frac{SW}{4}$ Sec. 15; $\frac{SE}{4}$ Sec. 33 (R-3731, 5-1-69)
- $\frac{S}{2}$ $\frac{SE}{4}$ Sec. 17; $\frac{NE}{4}$ Sec. 27 (R-3895, 1-1-70) - $\frac{NE}{4}$ Sec. 34 (R-4329, 7-1-72)

Ext: $\frac{NE}{4}$ and $\frac{NW}{4}$ $\frac{SE}{4}$ Sec. 17 (R-7131, 11-30-82) EXT: NW $\frac{1}{4}$ Sec. 35 (R-9741, 9-1-89)

Ext: $\frac{SE}{4}$ Sec. 34 (R-9723, 9-25-92) EXT: W $\frac{1}{2}$ Sec. 34 (R-9937, 8-17-93)

Extend vertical limits to include Paddock formation and redesignate as Teague-Paddock-Blinebry Pool (R-10776, 2-28-97)

Ext: $\frac{SW}{4}$ Sec. 35 (R-10776, 2-28-97)

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

04/16/97 07:07:49
OGOMES -EMD7

API Well No : 30 25 22489 Eff Date : 04-05-1994 WC Status : A
Pool Idn : 58300 TEAGUE;BLINEBRY
OGRID Idn : 962 ARCH PETROLEUM INC
Prop Idn : 14919 M K STEWART

Well No : 003
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn : O	28	23S	37E	FTG	660 F S	FTG 1980 F E	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC