



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 23, 1999

Arch Petroleum Inc.
P. O. Box 10340
Midland, Texas 79702
Attention: Garland H. Lange III

Administrative Order NSP-352-B

Dear Mr. Lange:

Reference is made to the following: (i) your application dated October 13, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Arch Petroleum Inc.'s ("Arch") request to reactivate a previously approved 80.08-acre non-standard gas spacing and proration unit in the Tubb Oil and Gas Pool ("GPU") comprising the following acreage and to exchange the well dedication of this GPU:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: Lots 1 and 2 (N/2 NE/4 equivalent).

This GPU was approved by and the subject to: (i) Division Administrative Order NSP-352, dated February 22, 1957; (ii) Division Administrative Order NSP-352-A (L) dated April 4, 1995; and (iii) a reconfirmation order by letter dated December 26, 1996. This GPU, from its inception, has been dedicated to Arch's Lee Stebbins (NCT-B) Well No. 3 (API No. 30-025-10061), located at an unorthodox gas well location 660 feet from the North line and 460 feet from the East line (Lot 1/Unit A) of Section 5. It is our understanding that the above-described Lee Stebbins (NCT-B) Well No. 3 is temporarily abandoned and that Arch is planning to recomplete its existing Lee Stebbins (NCT-B) Well No. 4 (API No. 30-025-10062), located at a standard gas well location for this GPU 660 feet from the North line and 1780 feet from the East line (Lot 2/Unit B) of Section 5 from the Drinkard Pool to the Tubb gas producing interval.

By authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the above-described 80.08-acre GPU, to be dedicated to Arch's above-described Lee Stebbins (NCT-B) Well No. 4, is hereby approved. Also, Arch is hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of the pool rules based upon a unit size of 80.08 acres.

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It is further ordered that Division Administrative Orders NSP-352 and NSP-352-A (L) shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery b. Dac".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-352
NSP-352-A (L) /



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2040 South Pacheco Street
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(505) 827-7131

December 26, 1996

Arch Petroleum, Inc.
10 Desta Drive - Suite 420 East
Midland, Texas 79705

Attention: Bobbie Brooks

Re: Division Administrative Order NSP-352-A (L), dated April 4, 1995, which order established an 80.08-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising Lots 1 and 2 (the N/2 NE/4 equivalent) of Section 5, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, and had dedicated thereon the Arch Petroleum, Inc. Lee Stebbins (NCT-B) Well No. 3 (API No. 30-025-10061), located at an unorthodox gas well location 660 feet from the North line and 460 feet from the East line (Lot 1/Unit A) of said Section 5.

Dear Ms. Brooks:

Per your letter dated November 19, 1996, which included supporting information and notice to off-set operators, all provisions of said Division Administrative Order NSP-352-A (L) shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,

MICHAEL E. STOGNER
Deputy Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
Kathy Valdes, NMOCD - Santa Fe
File: NSP-352
NSP-352-A(L)