



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 4, 1995

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

Attention: Bobbie Brooks

Administrative Order NSP-1723

Dear Mr. Brooks:

Reference is made to your application dated February 28, 1995 for a 40-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4 NW/4

It is my understanding that this unit is to be dedicated to your existing W. M. Rinewalt Well No. 2 (API No. 30-025-10026), located 1874 feet from the North line and 750 feet from the West line (Unit E) of said Section 4.

By authority granted me under the provisions of Rule 4(b)2 of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*" as promulgated by Division Order No. R-8170, as amended, the above-described 40-acre non-standard gas spacing and proration unit is hereby

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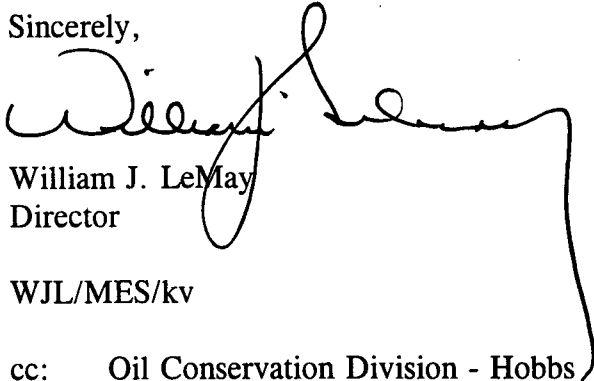
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approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 40 acres.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
DHC-618

REMARKS: Blinebry production from this well is currently being downhole commingled with Drinkard oil production under authority of Division Administrative Order DHC-618, dated June 9, 1986. Once the additional Blinebry perforations are made in the subject well, as stated in your application, please contact the Supervisor of the Division's District Office in Hobbs for the possible reassignment of production allocation from this well.