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March 28, 1995

HAND-DELIVERED

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

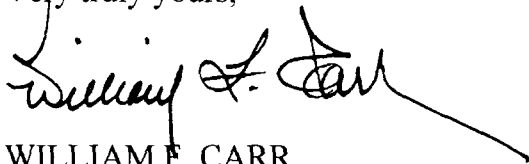
Case 11267

Re: Application of Arch Petroleum Inc. for Special Pool Rules for the Justis-Fusselman Pool, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Arch Petroleum Inc. in the above-referenced case as well as a legal advertisement. Arch Petroleum Inc., respectfully requests that this matter be placed on the docket for the April 20, 1995 Examiner hearings.

Very truly yours,

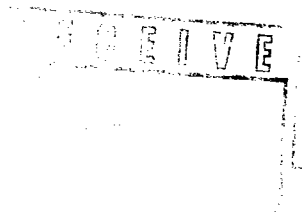


WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Chris Bezner (w/enclosures)



BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARCH PETROLEUM INC.
FOR SPECIAL POOL RULES FOR THE
JUSTIS-FUSSELMAN POOL,
LEA COUNTY, NEW MEXICO.

CASE NO. 11267

APPLICATION

COMES NOW ARCH PETROLEUM INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order promulgating Special Pool Rules and Regulations for the Justis-Fusselman Pool to provide for a special gas oil ratio of 10,000 to 1 and in support thereof states:

1. Arch Petroleum Inc., is the operator of certain wells in the Justis-Fusselman Pool which was established on March 25, 1958 by Order No. R-1143 and has been extended from time to time to include the following acreage:

Township 25 South, Range 37 East, N.M.P.M.

Section 13: W/2
Section 24: W/2
Section 25: All
Section 36: NE/4

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Township 25 South, Range 38 East, N.M.P.M.

Section 30: SW/4
Section 31: NW/4

2. The wells in this pool are produced under statewide rules which limit production to a gas-oil ratio of 2,000 cubic feet of gas per barrel of oil produced.

3. Operating this pool under a 2,000 to 1 gas-oil ratio is not depleting the reservoir in an efficient and timely manner.

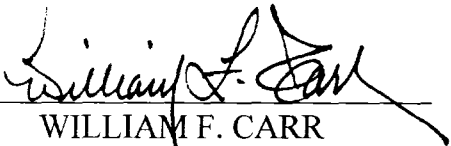
4. Arch Petroleum Inc., seeks the adoption of the Special Rules and Regulations for this pool to increase the limiting gas-oil ratio to 10,000 cubic feet of gas per barrel of oil produced.

5. Approval of this application will protect the correlative rights of each operator in the pool by affording each the opportunity to produce its just and equitable share of gas and oil from this pool, will prevent waste of hydrocarbons and is otherwise in the best interest of conservation.

WHEREFORE, Arch Petroleum Inc., requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 20, 1995, and after notice and hearing as required by law, the Division enter its Order approving this application.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

By: 
WILLIAM F. CARR
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Santa Fe, New Mexico 87504
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ATTORNEYS FOR ARCH PETROLEUM INC.

CASE 71267:

Application of Arch Petroleum Inc., for Special Pool Rules for the Justis-Fusselman Pool, Lea County, New Mexico. Applicant seeks the Adoption of Special Pool Rules for the Justis-Fusselman Pool, located in portions of Township 25 South, Ranges 37 and 38 East, to include a provision for a gas-oil limitation of 10,000 cubic feet of gas per barrel of oil. Said area is centered approximately 4 miles east of Jal, New Mexico.

