

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11446
ORDER NO. R-10453-A

**APPLICATION OF ARCH PETROLEUM INC. TO AMEND DIVISION ORDER
NO. R-10453 AUTHORIZING A LOCATION CHANGE OF A CERTAIN
UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 11, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 22nd day of January, 1996 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-10453, issued in Case 11344 and dated September 1, 1995, the Division authorized Arch Petroleum Inc. to drill seven "infill" oil wells within Sections 21, 22, and 28, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico at unorthodox oil well locations in order to maximize drainage within the Teague-Blinebry Pool. Its C. E. Lamunyon Well No. 56 was authorized to be drilled 1300 feet from the North and East lines (Unit A) of said Section 28 and was to be simultaneously dedicated to an existing 40-acre oil spacing and proration unit comprising the NE/4 NE/4 of said Section 28, which is currently dedicated to the C. E. Lamunyon Well No. 21 (API No. 30-025-22323), located at a standard oil well location 510 feet from the North line and 660 feet from the East line of said Section 28 and to the C. E. Lamunyon Well No. 50 (API No. 30-025-30525), located at a previously approved unorthodox oil well location (see Division Order No. R-8855, dated February 8, 1989) 1310 feet from the North line and

210 feet from the East line of said Section 28.

(3) However, due to the close proximity of the Sid Richardson Carbon high pressure gas pipeline the location of the proposed C. E. Lamunyon Well No. 56 was moved 150 feet west for safety reasons to a new unorthodox oil well location 1300 feet from the North line and 1450 feet from the East line (Unit B) of said Section 28 and is to now be simultaneously dedicated to the existing standard 40-acre oil spacing and proration unit comprising the NW/4 NE/4 of said Section 28, which is currently dedicated to the C. E. Lamunyon Well No. 23 (API No. 30-025-22402), located at a standard oil well location 660 feet from the North line and 1980 feet from the East line of said Section 28.

(4) This case was styled such that in the absence of objection this case would be taken under advisement.

(5) As in the original case no appearances were made in this matter at the time of the hearing.

(6) The NW/4 NE/4 of said Section 28 does not off-set acreage that is not operated by the applicant. Further, the new well location encroaches only upon acreage within the applicant's C. E. Lamunyon lease.

(7) This order is essentially an addendum to the original Order No. R-10453; therefore, the previous findings in Case 11344 are also valid in this instance.

(8) Said Order No. R-10453 should therefore be adjusted accordingly.

IT IS THEREFORE ORDERED THAT:

(1) In Decretory Paragraph No. (1) on pages 3 and 4 of Division Order No. 10453, issued in Case 11344 and dated September 1, 1995, being one in the same, the referenced location for the C. E. Lamunyon Well No. 56 is hereby changed to the following:

"1300' FNL & 1450' FEL (Unit B) of Section 28".

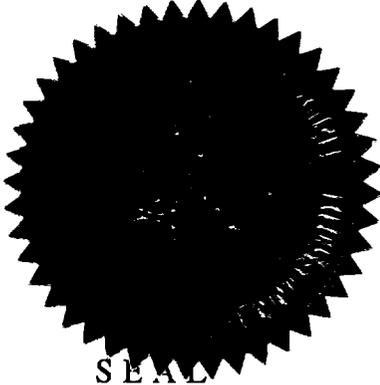
(2) Sub-part (f) of Decretory Paragraph No. (2) on page 4 of said Order No. R-10453 being one in the same is hereby amended to read in its entirety as follows:

"f) the proposed C. E. Lamunyon Well No. 56 and the existing Well No. 23 shall be dedicated to the NW/4 NE/4 of said Section 28".

(3) All other provisions of said Order No. R-10453 shall remain in full force and effect until further notice.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of William J. Lemay.

WILLIAM J. LEMAY
Director