



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson  
Governor  
Joanna Prukop  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

May 8, 2003

Arch Petroleum, Inc.  
c/o James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

## *Administrative Order NSL-4878 (SD)*

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pKRV0-310426140*) dated April 11, 2003 on behalf of the operator Arch Petroleum, Inc. ("Arch"); and (ii) the Division's records in Santa Fe: all concerning Arch's request for: (i) a non-standard infill oil well within an existing standard 40-acre oil spacing and proration unit for the Teague-Paddock Blinebry Pool (58300); and (ii) an unorthodox oil well location in the Langlie-Mattix Pool (37240), for its proposed C. E. Lamunyon Well No. 85 to be drilled 2360 feet from the North line and 2630 feet from the West line (Unit F) of Section 28, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Production from the Teague-Paddock Blinebry Pool is to be included within an existing standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 (Unit F) of Section 28, which is currently dedicated to Arch's C. E. Lamunyon Well No. 38 (API No. 30-025-22553) located at a standard oil well location 1980 feet from the North and West lines of Section 28.

The SE/4 NW/4 of Section 28 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Langlie-Mattix Pool.

It is our understanding that this unorthodox location is being sought for the following reasons: (i) the geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox infill oil well location will be at a favorable structural position within the Blinebry formation underlying Arch's Federal lease (United States Government lease No. LC-030187) comprising the N/2 of Section 28; (ii) to minimize drainage effects in that this location is approximately equidistance, more or less, to other offsetting Paddock-Blinebry oil producers within the lease and within the general area, which should enable Arch to further develop and deplete the Paddock-Blinebry reserves within this Federal lease that might not otherwise be recovered; and (iii) the presents of pipelines at the closest standard oil well location within the proposed 40-acre unit.

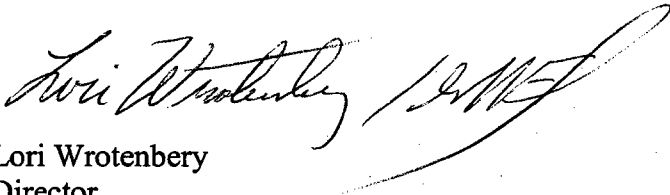
Administrative Order NSL-4878 (SD)  
Arch Petroleum, Inc.  
May 8, 2003  
Page 2

---

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox: (i) infill Teague-Paddock Blinbry oil well location; and (ii) Langlie-Mattix oil well location, for Arch's proposed C. E. Lamunyon Well No. 85 is hereby approved.

Further, both the existing C. E. Lamunyon Well No. 38 and the proposed C. E. Lamunyon Well No. 85 are to be simultaneously dedicated to the subject 40-acre unit within the Teague-Paddock Blinbry Pool.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery" followed by a stylized flourish or initials.

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad