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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

SEP 20 1999

## ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

## Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

## [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply[A] ☐ Working, Royalty or Overriding Royalty Interest Owners[B] ☒ Offset Operators, Leaseholders or Surface Owner[C] ☐ Application is One Which Requires Published Legal Notice[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,[F] ☐ Waivers are Attached

## [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Garland H. Lang III  
 Print or Type Name

Garland H. Lang III  
 Signature

Land Consultant  
 Title

9/17/99  
 Date



## *Arch Petroleum Inc.*

September 17, 1999

Administrative Application for Unorthodox  
Well Location-Fowler-Upper Paddock Gas Pool,  
Lillie #1 Well, 660' FNL and 330' FWL, Unit Letter D,  
Section 23, T-24-S, R-37-E, N.M.P.M.,  
Lea County, New Mexico

State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Dear Mr. Stogner:

Arch Petroleum Inc. respectfully requests approval of the subject Unorthodox Gas Well Location and rededication of a Standard 320-acre Fowler-Upper Paddock Gas Unit.

Arch Petroleum Inc. is planning to re-complete the Lillie #1 uphole in the Fowler-Upper Paddock Gas Pool. The Lillie #1 well is currently completed in the South Fowler (Tubb) Oil Pool. The location of the Lillie #1 is 660' FNL and 330' FWL of Section 23, Unit Letter D, Township 24 South, Range 37 East, N.M.P.M., Lea County, New Mexico. It is our desire to dedicate a Standard 320 acre Fowler-Upper Paddock Gas Unit (GPU), comprising the W/2 of Section 23, T-24-S, R-37-E, to this well. This 320 acre GPU has historically been dedicated to the Plains Knight #3 Well (located in Unit Letter L, or NW/4 SW/4 of Section 23). The Plains Knight #3 Well was Plugged and Abandoned on September 11, 1997. There are no other Fowler-Upper Paddock producers within the 320 acres comprising the W/2 of Section 23, T-24-S, R-37-E, N.M.P.M., Lea County, New Mexico.

Pursuant to the Oil Conservation Commission's Order No. R-2426 the Lillie #1 Well location is less than the required distance from the outer boundary of the proration unit; therefore, Arch Petroleum Inc. requests that you grant an exception to the requirements of Rule 4 of said order.

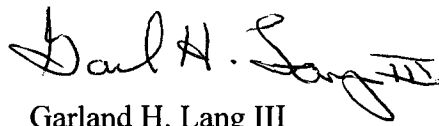
Application for Unorthodox Location  
Lillie #1 Well  
September 17, 1999  
Page Two

In order to prevent waste, Arch Petroleum Inc. respectfully requests approval of this administrative application for the stated unorthodox gas well location and a Standard 320 acre GPU for the Lillie #1 Well. Attached hereto as Exhibit "A" is a map showing the offset operators, a list of offset operators that could be effected by this unorthodox location, Form C-101 and Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to the offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 685-8126.

Yours very truly,

ARCH PETROLEUM INC.

A handwritten signature in dark ink, appearing to read "Garland H. Lang III". The signature is fluid and cursive, with the last name "Lang" being particularly prominent.

Garland H. Lang III  
Consulting Landman

Attachments

cc: NMOCD-Hobbs, N.M.  
Rex Jasper



**ARCH PETROLEUM INC.**  
**Request for Unorthodox Location**  
**Fowler-Upper Paddock Gas Pool**

**Lillie #1**

660' FNL and 330' FWL, Unit Letter D, Section 23, T-24-S, R-37-E,  
N.M.P.M.,  
Lea County, New Mexico

**Offset Operators**

Altura Energy LTD  
P.O. Box 4294  
Houston, Texas 77210-4294

John H. Hendrix Corp.  
110 N. Marienfeld, Suite 400  
Midland, Texas 79701

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address Arch Petroleum Inc. 300 North Marienfeld, Suite 600 Midland, Texas 79701		<sup>2</sup> OGRID Number 000962
		<sup>3</sup> API Number 30 - 025-11206
<sup>4</sup> Property Code 014915	<sup>5</sup> Property Name Lillie	<sup>6</sup> Well No. 1

<sup>7</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
D	23	24S	37E		660	North	330	West	Lea

<sup>8</sup>Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
<sup>9</sup> Proposed Pool 1 Fowler-UpperPaddock Gas					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary C	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3227
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 5700	<sup>18</sup> Formation Paddock	<sup>19</sup> Contractor	<sup>20</sup> Spud Date

<sup>21</sup>Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/4"	13-3/8"	61#	319	375	surface
12-1/4"	9-5/8"	36#	3800	1050	1970'
8-3/4"	7"	23,26 & 29#	10287	920	8085'

<sup>22</sup>Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Set CIBP @ 5700' and cap w/2 sx cement abandoning current Tubb completion.  
Test CIBP to 3000#.  
Run GRN CCL log 4500-5000'  
Perforated Paddock as determined by log.  
RIH w/2-7/8" work string.  
Swab to evaluate for possible frac.

Completion contingent on approval of non-standard location application.

<sup>23</sup>I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

*Robin S. McCarley*

Printed name: Robin S. McCarley

Title: Production Tech.

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1API Number 30-025-11206	2Pool Code 77080	3Pool Name Fowler-Upper Paddock Gas
4Property Code 014915	5Property Name Lillie	6Well Number 1
7GRID No. 000962	8Operator Name Arch Petroleum Inc.	9Elevation 3227

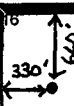
10Surface Location

UL or lot no. D	Section 23	Township 24S	Range 37E	Lot Idn	Feet from the 660	North/South line North	Feet from the 330	East/West Line West	County Lea
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11Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
12Dedicated Acres 320.00	13Joint or Infill	14Consolidation Code	15Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		Gulf Oil Corp. originally drilled Lillie Well No. 1 Spud: 6-23-52 TD: 10,288' Elkhorn Test Fowler Elkhorn Completion Recompleted to Fossilman in 1980 Fowler Fossilman Prod. Comp. 1980 tested Elkhorn interval Fowler Acroga producer South Fowler Tubb Comp. in 1993 Currently Producing in that interval.	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Robin S. McCarley Printed Name Production Tech. Title 09-14-99 Date	
			<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number	