



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

April 27, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Administrative Order NSL-4855-A

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-510930286*) dated April 18, 2005 on behalf of the operator Arch Petroleum, Inc. ("Arch"); and (ii) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-4855 (SD): all concerning Arch's request to include the Langlie-Mattix Pool (37240), which includes the Grayburg formation (see Division Order No. R-4423, issued in Case No. 4848 on October 27, 1972), within the well bore of the existing E. C. Hill "C" Well No. 4 (API No. 30-025-36240), located at an unorthodox oil well location 1260 feet from the South line and 990 feet from the West line (Unit M) of Section 27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

Your 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.

By Division Administrative Order NSL-4855 (SD), dated April 9, 2003, Arch received authorization to drill and complete its E. C. Hill "C" Well No. 4 at the above-described unorthodox infill oil well location in the Teague-Paddock Blinebry Pool (58300), within the SW/4 SW/4 (Unit M) of Section 27, being a standard 40-acre oil spacing and proration unit for this interval.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described E. C. Hill "C" Well No. 4, which will be the initial well within the same standard 40-acre tract being a standard oil spacing and proration unit in the Langlie-Mattix Pool, also located at an unorthodox oil well location, is hereby approved.

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

Sincerely,

Mark E. Fesmire, P. E.

Director

MES/ms

cc: New Mexico Oil Conservation Division – Hobbs
Files: NSL-4855 (SD)