



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 9, 1996

Arch Petroleum Inc.
10 Desta Drive - Suite 420 East
Midland, Texas 79705
Attention: Chris N. Bezner, P.E.

Administrative Order NSL-3654

Dear Mr. Bezner:

Reference is made to your application dated March 5, 1996 for an unorthodox "infill" oil well location on an existing standard 40-acre oil spacing and proration unit for the Teaque-Blinebry Pool, comprising the NW/4 SE/4 (Unit J) of Section 27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Said 40-acre tract is currently dedicated to the E.C. Hill "A" Well No. 2 (API No. 30-025-10851) located at a standard oil well location 1980 feet from the South and East lines of said Section 27.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location in said Section 27 is hereby approved:

E.C. Hill "A" Well No. 5
1340' FSL - 1980' FEL.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs