

October 19, 1998

Application for Administrative Approval
Of Unorthodox Well Location
C. E. Lamunyon Lease, Well #66
Lea County, New Mexico

Lori Wrotenberry
Oil Conservation Division
Department of Energy Minerals & Natural Resources
1040 South Pacheco Street
Santa Fe, New Mexico 87505

Arch Petroleum Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996 of the unorthodox well location listed below.

The C. E. Lamunyon #66 is located 1300' FNL and 2520' FWL of Section 27, T23S, R37E, Unit C in Lea County, New Mexico. This well does encroach in immediately adjacent existing spacing units in the same pool. These adjacent spacing units are in the same lease and are operated by Arch in all cases. Therefore, there are no affected parties to whom notice is required. Exhibit E shows the location of all offsetting Operators.

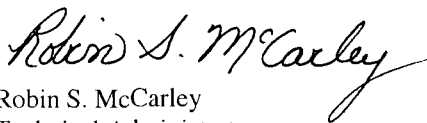
Exhibit A is a lease Base Map showing the wells previously drilled pursuant to various OCD NSL Orders. We are currently monitoring the results for the ultimate recovery per well.

This unorthodox location in the Blinebry formation is necessary for geological reasons. Exhibit B is a porosity isopach map of the Blinebry. It shows the areal extent of the porosity development in the field. This development is made up of thin porosity stringers that are very discontinuous between wellbores. This discontinuity coupled with the low average porosity of five to eight percent and low average permeability of 0.5 millidarcies causes low ultimate recoveries and inadequate drainage of the field based on current 40-acre locations.

Exhibit C is a Drainage Map showing the areas estimated to be drained by the existing wells in the Blinebry. The drainage areas shown were calculated and are listed on Exhibit D. The parameters used to make these calculations are also shown. On average, it is seen that the existing wells are expected to drain approximately 13 acres per well. It is therefore necessary to drill the subject well to avoid waste and efficiently recover the available reserves.

You attention to this request is appreciated.

Sincerely,



Robin S. McCarley
Technical Administrator

Cc: Chris Williams, District Supervisor
Oil Conservation Division - Hobbs

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34254	Pool Code 58300	Pool Name Teague Paddock Blinebry
Property Code 014898	Property Name C.E. LAMUNYON	Well Number 66
GRID No. 000962	Operator Name ARCH PETROLEUM, INC.	Elevation 3281

Surface Location

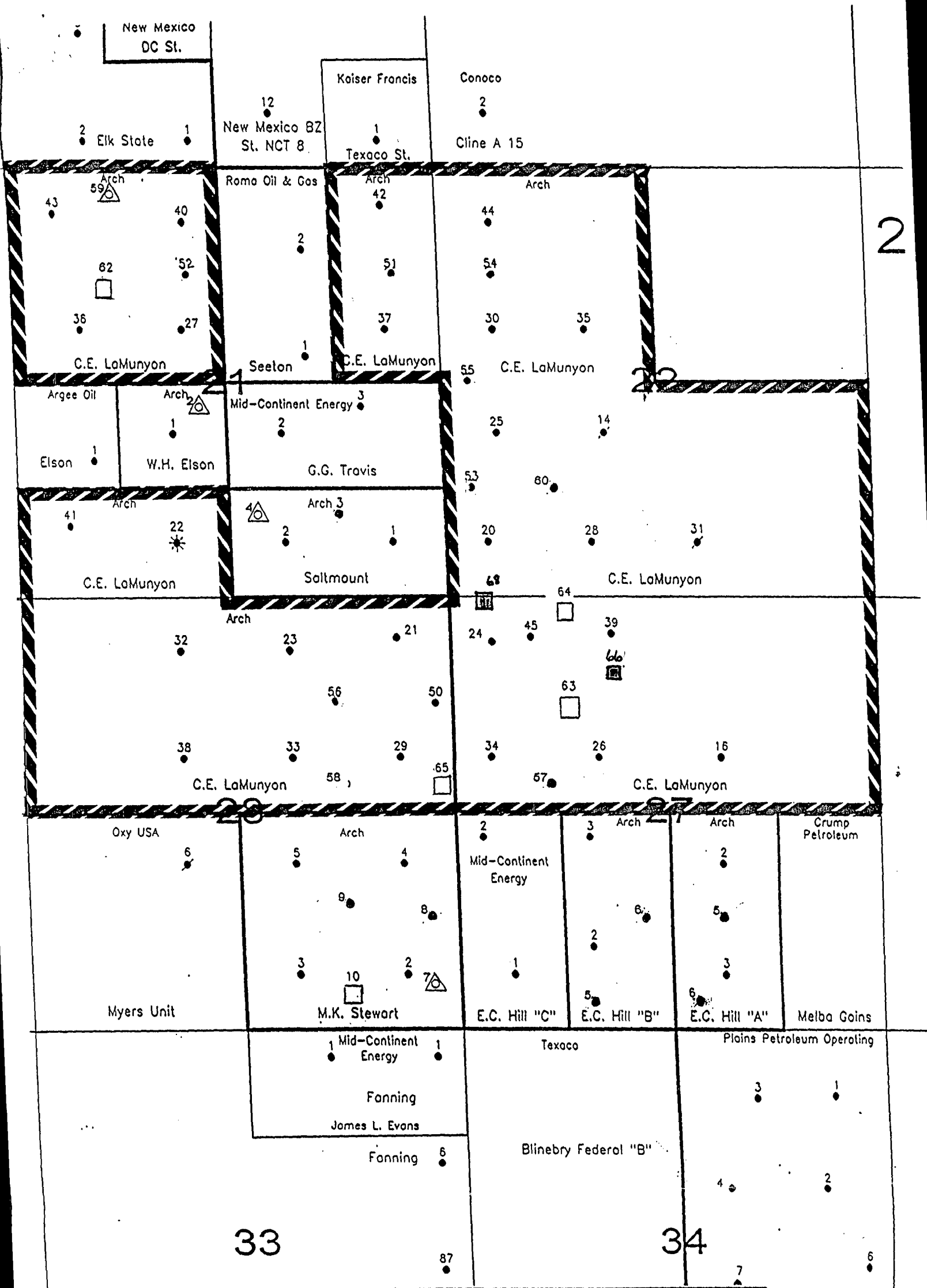
UL or lot No. C	Section 27	Township 23 S	Range 37 E	Lot Idn	Feet from the 1300	North/South line NORTH	Feet from the 2520	East/West line WEST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill	Consolidation Code	Order 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

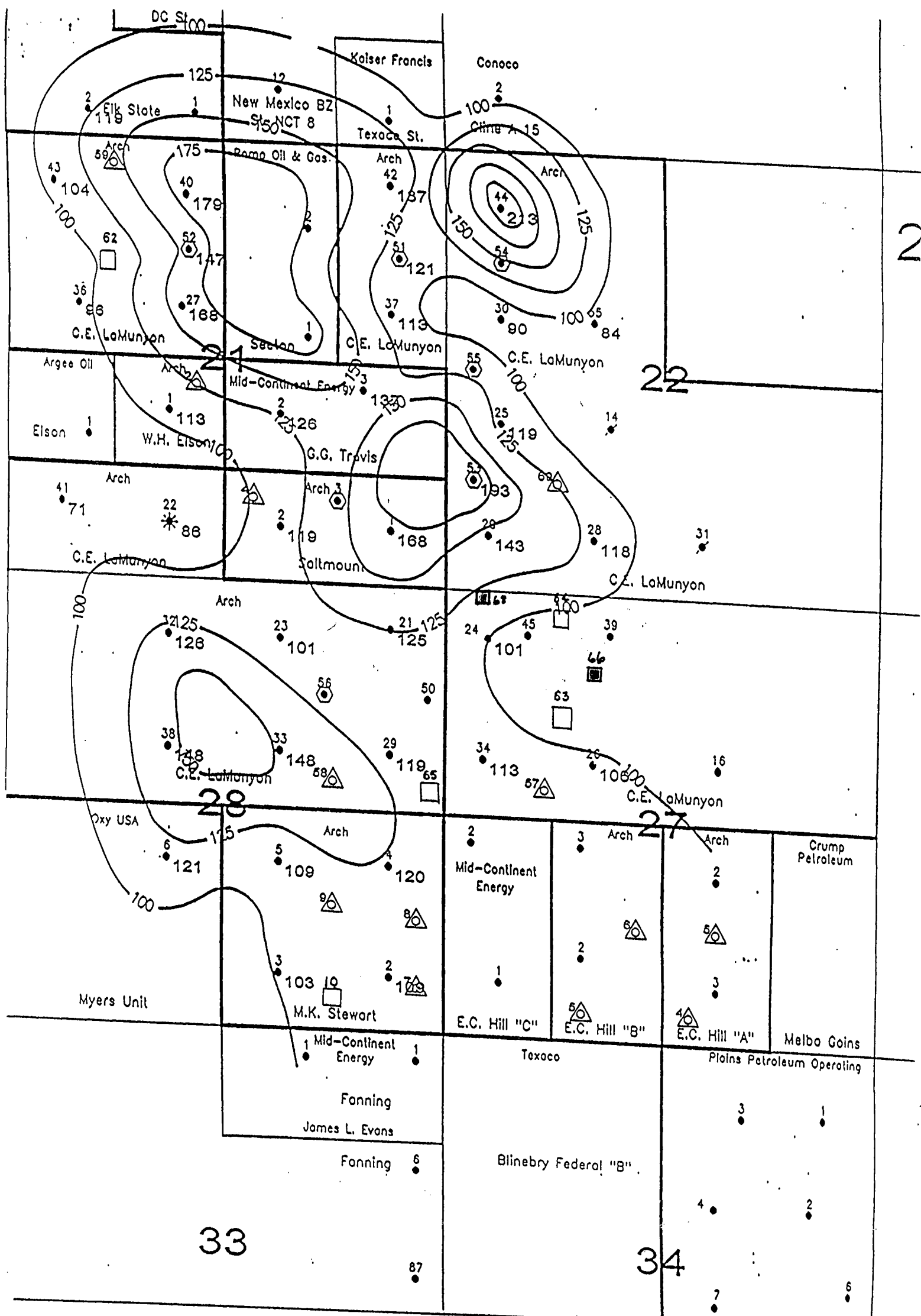
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Robin S. McCarley</i> Signature Robin S. McCarley Printed Name Tech. Administrator Title 10/19/98 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby 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.</p> <p>SEPTEMBER 26, 1997</p> <p>Date Surveyed Signature & Seal Professional Surveyor <i>Ronald F. Eidson</i> NEW MEXICO 3439 9-30-97 12641</p> <p>Certificate No. JOHN W. WEST 676 RONALD F. EIDSON 3239 EDSON 12641</p>
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LEGEND

Exhibit No. A

- Phase 3 Infill Wells
- △ Phase 2 Infill Wells
- Blinebry Producer



LEGEND

Exhibit No. B

- Phase 1 Infill Wells
- △ Proposed Phase 2 Infill Wells
- Blinebry Producer

Exhibit No. C

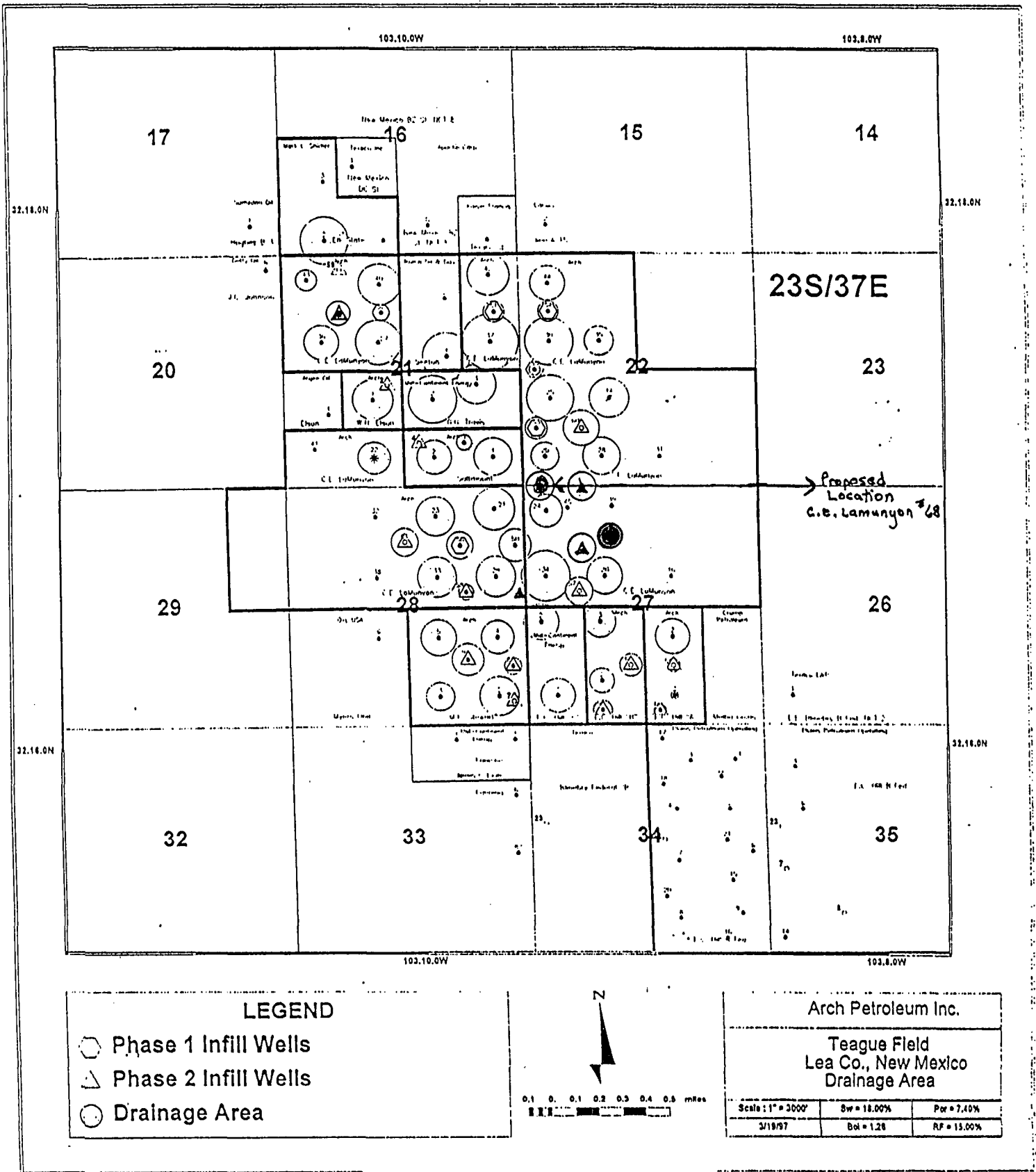









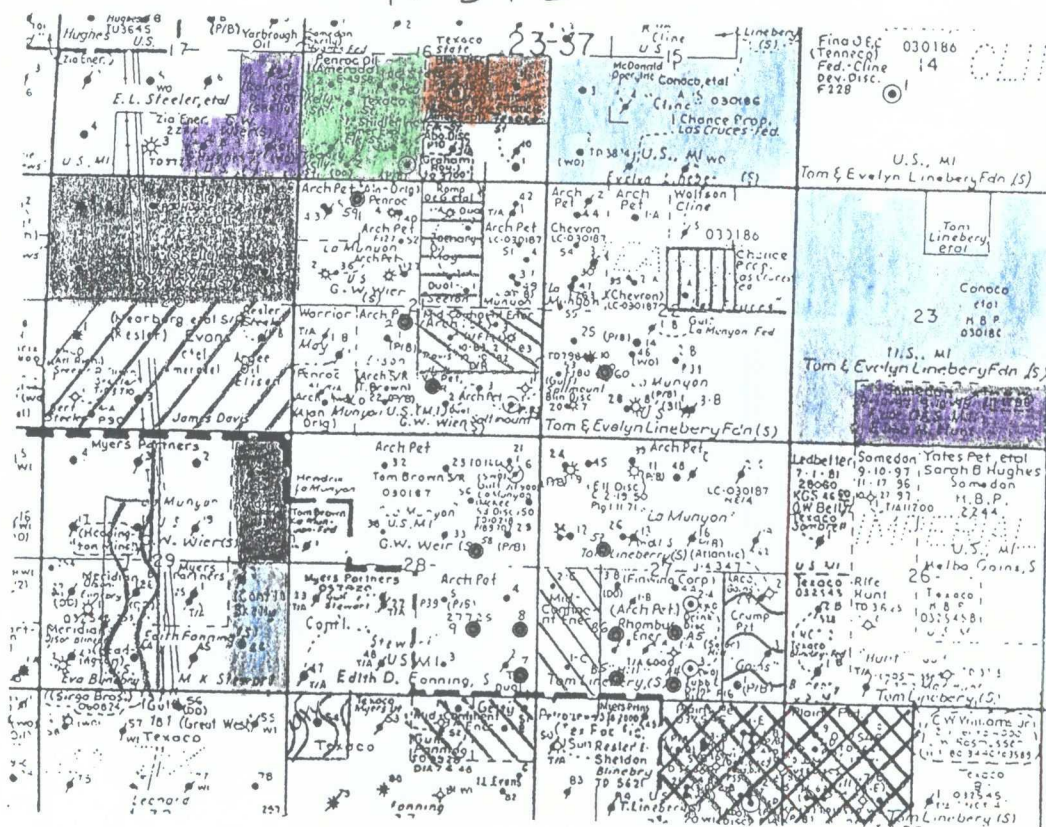







Exhibit No. C

MAP of Offset Operators

-  Conoco Inc.
 -  Apache Corp
 -  Mark L. Shidler
 -  Texaco Expl + Prod Inc.
 -  Samedan Oil Corp
 -  Penroc Oil Corp
 -  James L Evans
 -  Roma Oil + Gas Co.
 -  MidContinent Energy Inc.
- R 37 E



T
23
S

-  Mirage Energy Inc.
-  Crump Petroleum Corp
-  Plains Petroleum
-  John H. Hendrix Corp
-  OXY USA Inc

Midland Map Co.

Lease Map

Posted to 2-2-96

Lea, NM

Scale: 1" = 4000'

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

10/20/98 17:04:18
OGOIV -EMDT

API Well No : 30 25 33961 Eff Date : 09-06-1997 WC Status : A
Pool Idn : 58300 TEAGUE;PADDOCK-BLINEBRY
OGRID Idn : 962 ARCH PETROLEUM INC
Prop Idn : 14898 C E LAMUNYON

Well No : 064
GL Elevation: 3288

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn : C	27	23S	37E	FTG	50 F N	FTG 1340 F W	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

10/20/98 17:04:35
OGOIV -EMDT

API Well No : 30 25 34202 Eff Date : 11-15-1997 WC Status : A
Pool Idn : 58300 TEAGUE;PADDOCK-BLINEBRY
OGRID Idn : 962 ARCH PETROLEUM INC
Prop Idn : 14898 C E LAMUNYON

Well No : 066
GL Elevation: 3281

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : C	27	23S	37E	FTG 1300 F N	FTG 2520 F W		A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC



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 30, 1997

Arch Petroleum Inc.
10 Desta Drive - Suite 420 East
Midland, Texas 79705
Attention: Bobbie Brooks

Administrative Order NSL-3793

Dear Ms. Brooks:

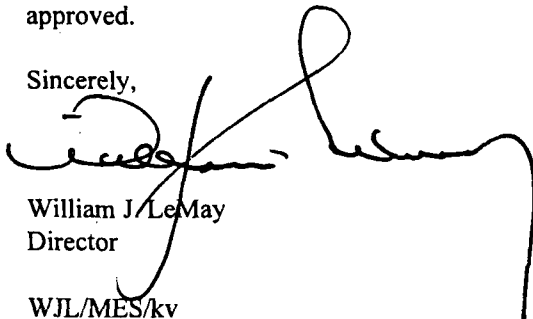
Reference is made to your application dated March 21, 1997 for the following four unorthodox Teague-Paddock Blinbry "infill" oil well locations within Arch Petroleum's C. E. Lamunyon (Federal) lease comprising the E/2 NE/4, NW/4, and S/2 SE/4 of Section 21, the W/2 and SE/4 of Section 22, the N/2 of Section 27, and the N/2 of Section 28, all in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico:

Well No.	Footage Location	Unit	Section	Dedicated 40-Acre Tract
62	1350' FNL & 1300' FWL	E	21	SW/4 NW/4
63	1400' FNL & 1340' FWL	F	27	SE/4 NW/4
64	50' FNL & 1340' FWL	C	27	NE/4 NW/4
65	2310' FSL & 1340' FEL	H	28	SE/4 NE/4

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 above-described unorthodox infill oil well locations within the Teague-Paddock Blinbry Pool in Lea County, New Mexico are hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

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