



Arch Petroleum Inc.

~~PLC~~ ~~11/17/00~~
PC 1006
2730

March 24, 2000

New Mexico Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
2040 South Pacheco
Santa Fe, NM 87501

Attn: Mark Ashley, Engineering

RE: Arch Petroleum Inc., Stebbins AB Battery
Section 5, T22S, R37E, Lea County, NM

Dear Mark,

Arch Petroleum request permission to surface commingle the Stebbins A battery, Stebbins B battery and the Stebbins AB battery. The three batteries are in need of repair and due to the economics of the Stebbins lease Arch proposes to commingle the three batteries into the Stebbins AB battery.

The royalty owners are identical in both the Stebbins "A" and Stebbins "B"; therefore, notification is not required.

Please see attached copies of the Stebbins AB battery diagram, area plat, and justification. Please let me know if you need any further information concerning this application. Thank you.

Sincerely,

Cathy Tomberlin, Operation Tech

attachments

JUSTIFICATION
Arch Petroleum Inc.
Lee Stebbins AB Lease
Lea County, NM

Arch Petroleum proposes to produce the Stebbins A#1, A#3, A#4, B#2, B#3 and B#4 into the Stebbins AB battery located in Section 5, T22S, R37E, Lea County, NM.

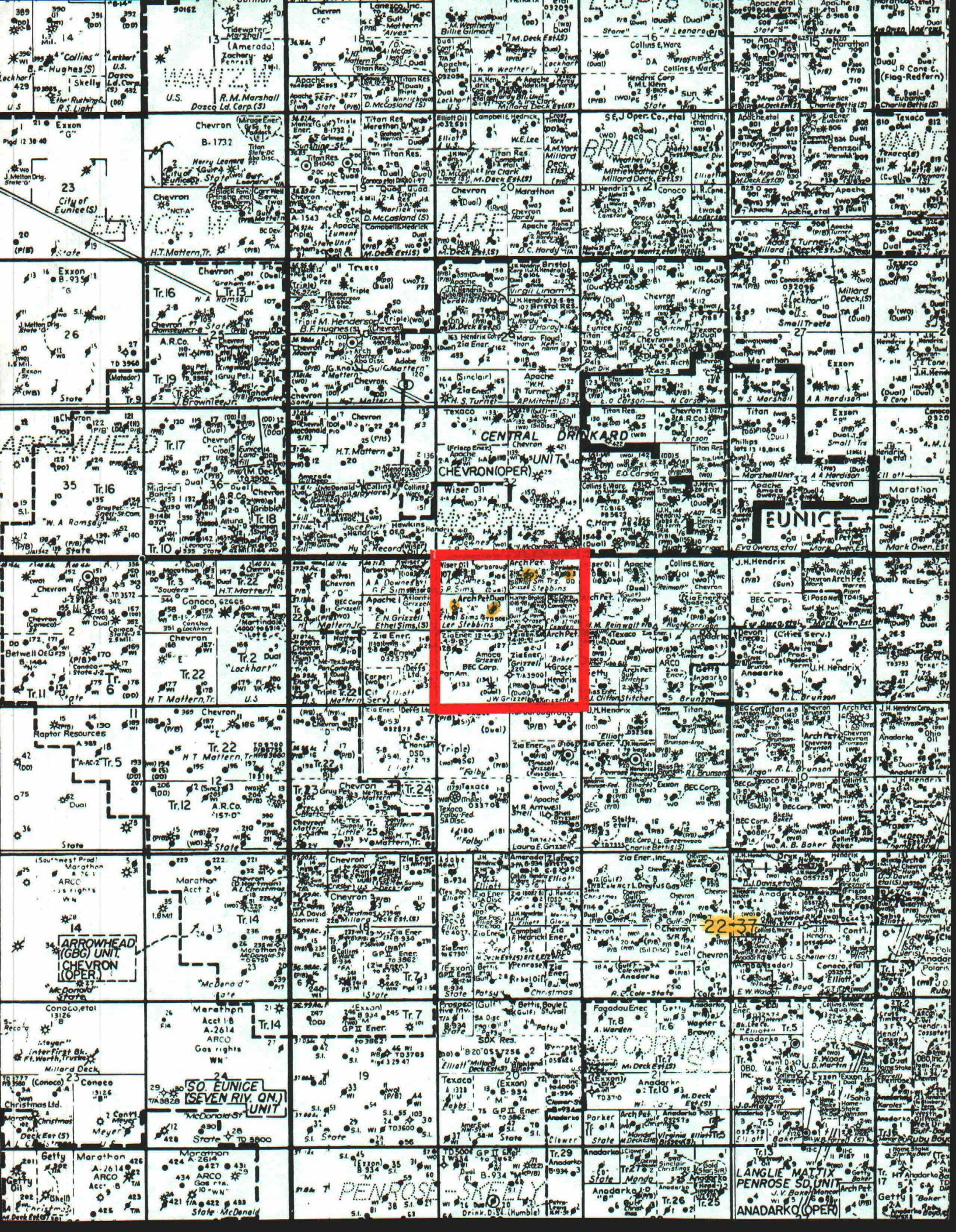
The Stebbins A battery, Stebbins B battery and Stebbins AB battery have fallen in ill repair. Due to economics of the wells producing into these three batteries, Arch recommends combining the three batteries into a single battery.

The production will be allocated based upon well test. When testing a well, the oil and gas will be measured and routed back into the production separator so that all of the lease's production is measured.

The Stebbins A#3 is DHC (DHC-319) producing from the Blinbry & Drinkard w/ a gravity of 32.9 sweet crude. The Stebbins A#4 is currently TA'd w/ previous production from the Drinkard. The Stebbins B#3 which was recently worked over is producing from the Abo w/ a gravity of 39.6 sweet crude and the Stebbins B#4 is producing from the Tubb w/ a gravity of 34.7 sweet crude. The Stebbins A#1 and B#2 are both producing from the Grayburg w/ a gravity of 40.0 sweet crude.

The gas will be measured with an orifice meter and allocated based on the total gas volume measured at the sales meter. Allocation will include wellhead MMBTU so that accuracy is ensured. There will be no loss in revenue from either oil or gas sales.

The royalty and working interest owners are identical for all zones involved.



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		2Pool Code		3Pool Name	
4Property Code		5Property Name			6Well Number
		Stebbins AB Battery			
7OGRID No. 000962		8Operator Name Arch Petroleum Inc.			9Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
E	5	22S	37E						Lea

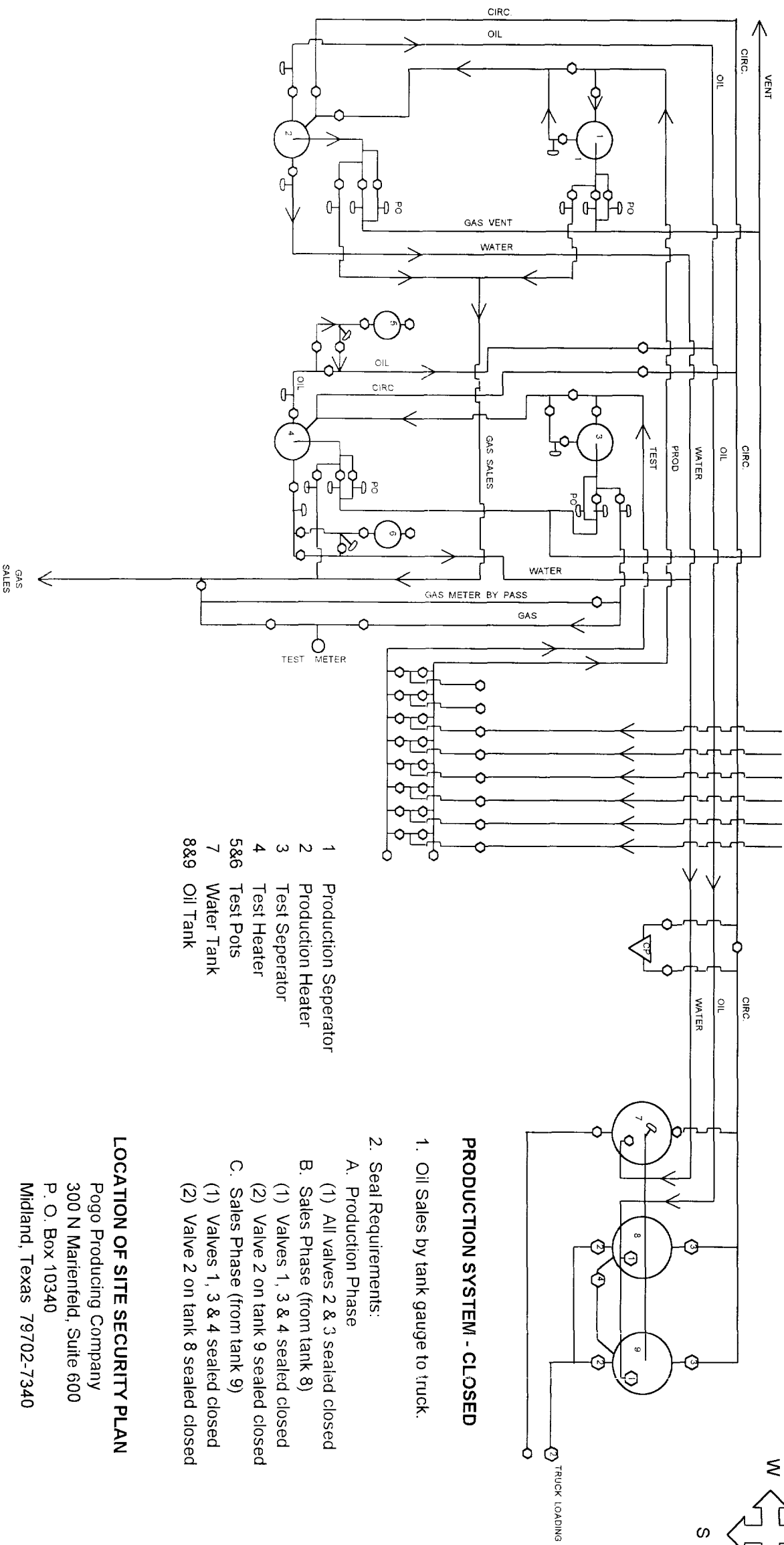
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
12Dedicated Acres		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

16				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
				Signature Cathy Tomberlin Printed Name Operation Tech Title 03/17/00 Date	
				18 SURVEYOR CERTIFICATION <i>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.</i>	
				Date of Survey Signature and Seal of Professional Surveyer:	
				Certificate Number	

LEE STEBBINS TANK BATTERY



ARCH PETROLEUM
Volumes and Pools for Stebbins AB Wells

	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>	<u>POOL</u>	<u>CODE</u>
Stebbins A #1	2	7	4	Penrose Skelly Grayburg	50350 (oil)
Stebbins A #3	4	2	44	Drinkard/Blinbry Oil & Gas	19190/06660
Stebbins A #4	TA'd	TA'd	TA'd	TA'd	
Stebbins B #2	1	10	3	Penrose Skelly Grayburg	50350
Stebbins B #3	21	27	96	Wantz Abo	62700 (oil)
Stebbins B #4	1	2	77	Tubb Gas O + G	86440 (Pro Gas)

N/2 NE/4, S/2 NW/4

Mark - I talked to Gary Lang, our landman over this area, he said this is all one lease. If you have any questions you can call him at (915)685-8126 or give me a call at (915)685-8144.

Thanks - Cathy

4/2/15