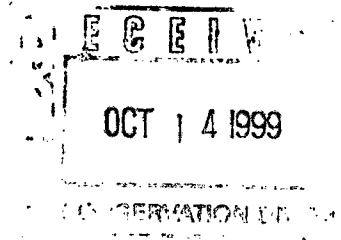


NSP 11/3/99



Arch Petroleum Inc.



October 12, 1999

Mr. Mike Stogner
State of New Mexico
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Rule 104 Exception – Non Standard Acreage
E. A. Sticher Well No. 3
API 30-025-10025
554' FSL and 2086' FWL
Unit N, Section 4, T22S, R37E
Lea County, New Mexico

Dear Mr. Stogner,

Arch Petroleum Inc. respectfully requests Administrative Approval for an exception to Rule 104 for a non-standard 40-acre gas spacing and Proration unit "GPU".

The E. A. Sticher Lease consists of the SE/4 SW/4 of Section 4, 40 acres. Currently the E. A. Sticher No. 3 is the only well, which will be produced from the Tubb Gas field.

Arch Petroleum Inc. owns 100% working interest in this lease and does not wish to pool with outside parties to obtain additional acreage necessary for a standard 160 acre GPU.

A list of affected offset operators has been attached for your review and a copy of this letter along with a plat have been forwarded to each by certified return receipt mail as notice of this request.

Thank you in advance for your consideration of our request. If you have any questions, please do not hesitate to give me a call at (915) 685-8100.

Sincerely,

Robin S. McCarley
Production Tech.

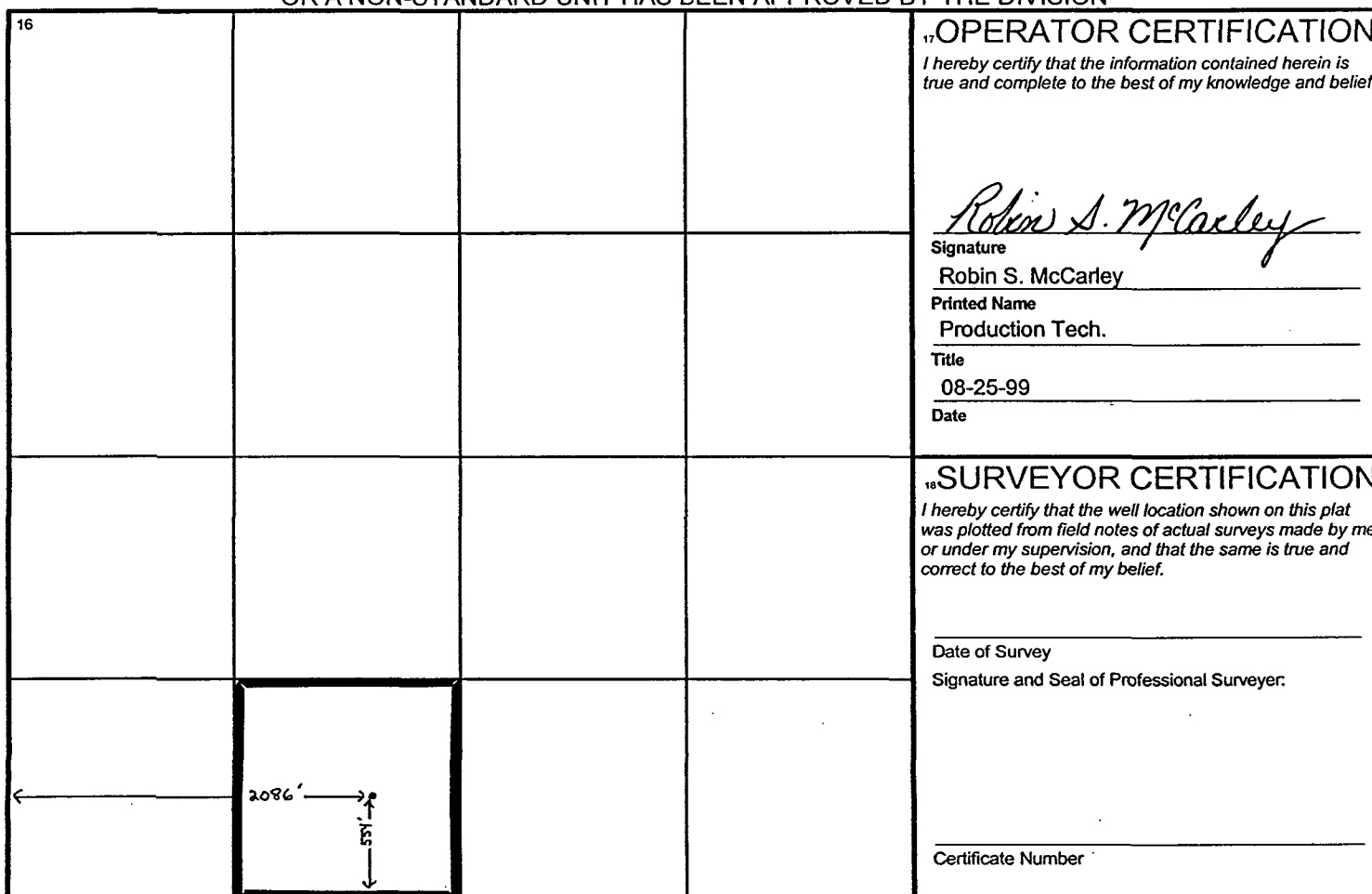
Enclosures
Cc: OCD Hobbs District Office

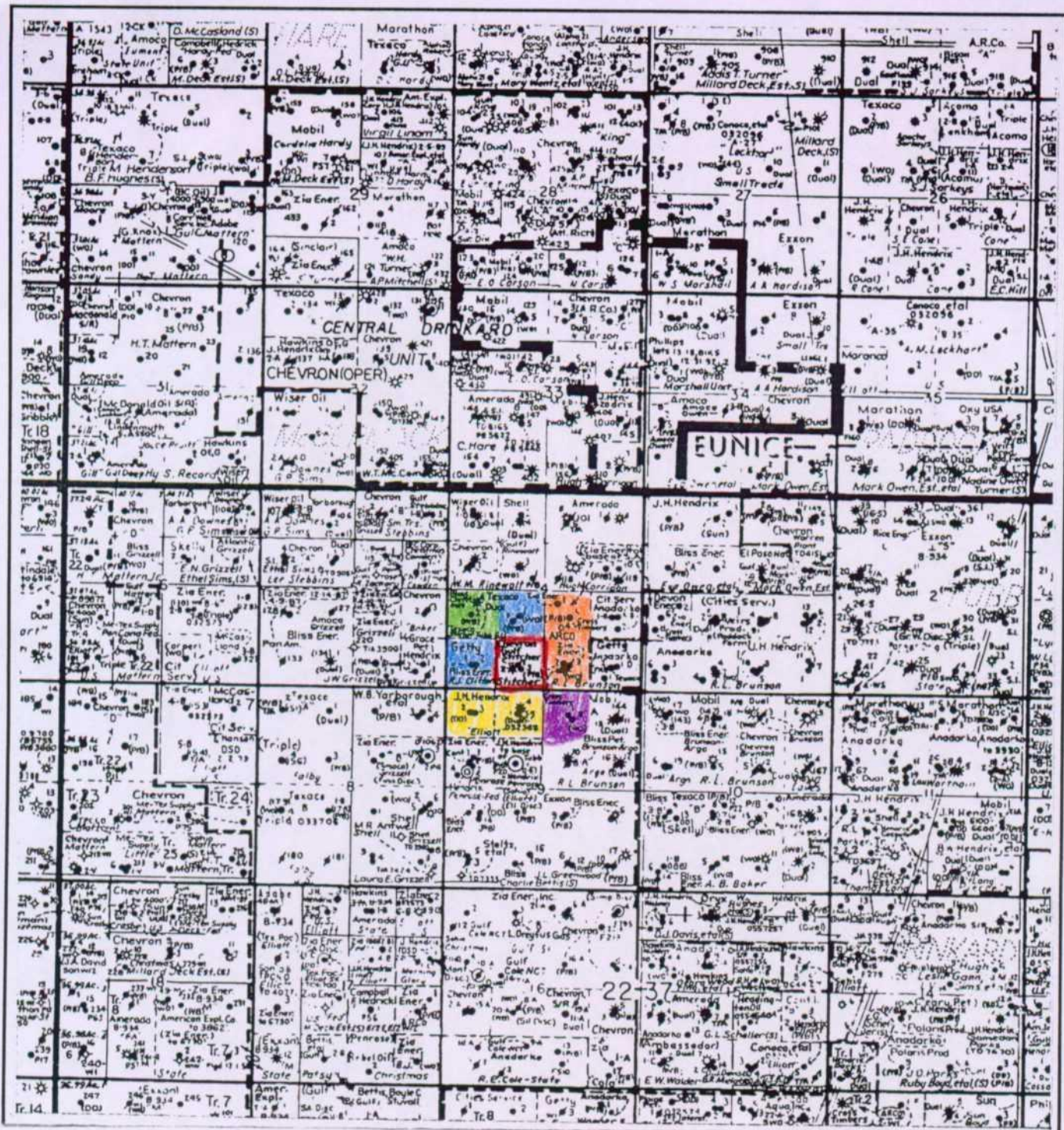
District IV
2040 South Pacheco, Santa Fe, NM 87505

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

Certificate Number





E. A. Sticher #3

- Bliss Energy
- Getty Oil Company
- Texaco
- Cross Timbers
- Zia Energy
- John H. Hendrix Corp.
- Titan Resources Inc.

ARCH PETROLEUM INC.
E. A. STICHER WELL #3
OFFSET OPERATORS

BEC CORPORATION
P. O. BOX 1392
MIDLAND, TEXAS 79702

GETTY OIL COMPANY
P. O. BOX 797035
DALLAS, TX 75379

TEXACO INC.
P. O. BOX 3109
MIDLAND, TEXAS 79702

CROSS TIMBERS
3000 N. GARFIELD, SUITE 175
MIDLAND, TEXAS 79705

ZIA ENERGY
BOX 2219
HOBBS, NM 88241

JOHN H. HENDRIX CORP.
P. O. BOX 3040
MIDLAND, TEXAS 79702

TITAN RESOURCES INC.
500 W. TEXAS
MIDLAND, TEXAS 79701

NSP-1810



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10/18/99

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP X _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Arch Petroleum Inc. & E. Sticher [#]3-N-4-225-37e
Operator Lease & Well No. Unit S-T-R API # 30-025-10025

and my recommendations are as follows:

OK- B

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/26/99 11:15:00
OGOMES -TPF5
PAGE NO: 1

Sec : 04 Twp : 22S Rng : 37E Section Type : NORMAL

| | | | |
|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| 4 39.91 Fee owned A P P | 3 39.86 Fee owned A A A | 2 39.80 Fee owned A A | 1 39.75 Fee owned A A |
| E 40.00 Fee owned A | F 40.00 Fee owned A A | G 40.00 Fee owned A A | H 40.00 Fee owned A A |

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION10/26/99 11:15:08
OGOMES -TPF5
PAGE NO: 2

Sec : 04 Twp : 22S Rng : 37E Section Type : NORMAL

| | | | |
|------------------------------------|------------------------------------|--------------------------------------|---|
| L 40.00 Fee owned A A | K 40.00 Fee owned A A | J 40.00 Fee owned P A A | I 40.00 Fee owned A A A |
| M 40.00 Fee owned A A | N 40.00 Fee owned A A | O 40.00 Fee owned A A A | P 40.00 Fee owned U P P A |

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12