

4-30-04
DATE IN5-20-04
SUSPENSEStagner
ENGINEER5-3-04
LOGGED IN

TYPE NSP

PSEMU
APP NO. 412436293

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☒ NSP ☒ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

- [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Print or Type Name

Signature

Attorney for Applicant

Title

Date

NMOCD Case No. 13274

Fulfer Exhibit No. Ejamesbruc@aol.com
e-mail Address

RECEIVED

APR 30 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

April 30, 2004

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for a non-standard unit, simultaneous dedication,
and an unorthodox gas well location

Dear Mr. Stogner:

Pursuant to Division Order No. R-8170-P, Arch Petroleum Inc.
applies for a 160 acre non-standard gas spacing and proration unit
in the Jalmat Gas Pool for the following acreage:

Well Unit: NW¼ S28, Township 23 South, Range 37 East,
N.M.P.M., Lea County, New Mexico

In addition, applicant requests an exception to the special rules
for the Jalmat Gas Pool to dedicate the unit to the following two
wells:

Well: C.E. LaMunyon Well No. 32
Location: 660 feet FNL & 1980 feet FWL 30-025-22472

Well: C.E. LaMunyon Well No. 78
Location: 990 feet FNL & 430 feet FWL 30-025-36188

The special rules for the Jalmat Gas Pool establish 640 acre
spacing, with wells to be no closer than 660 feet to the outer
boundary of the well unit.

Attached as Exhibit A is the APD for the No. 32 well. The well was
drilled to and completed in the Teague Paddock-Blaine Pool
(spaced on 40 acres) in 1968. See Exhibits B and C. It has now
been completed in the Jalmat Gas Pool. See Exhibit D.

Attached as Exhibit E is the APD for the No. 78 well. The well was drilled to and completed in the Langlie-Mattix Pool (spaced on 40 acres) in 2003. See Exhibit F. It has now been completed in the Jalmat Gas Pool.

Attached as Exhibit G is a geologic write-up, with supporting data. Jalmat wells will not drain 160 acres, and thus two wells in the well unit are needed to recover reserves under the well unit.

Exhibit H is a land plat. The operators or unleased mineral interest owners offsetting the NW¼ of Section 28 are as follows:

S½ §20:	Westbrook Oil Corporation
NW¼SW¼ §21:	Apache Corporation, et al. (unleased)
N½SE¼ §21:	Wynn-Crosby Energy, Inc.
Rest of §21:	Arch Petroleum Inc. (same lease as well unit)
E½ §28:	Arch Petroleum Inc. (same lease as well unit)
E½NE¼ §29:	Arch Petroleum Inc. (same lease as well unit)
W½NE¼ & NW¼ §29:	ChevronTexaco Exploration & Production Company
SW¼ §28 & SE¼ §29:	OXY USA WTP Limited Partnership

Exhibit I lists all offsets, and their addresses. Pursuant to Order No. R-8170-P, all offsets have been notified of the non-standard unit/simultaneous dedication application. A copy of the notice letter is attached hereto as Exhibit J.

In addition, applicant requests an unorthodox location for the No. 78 well, which is being re-completed uphole. The only offset operator affected by the unorthodox location is ChevronTexaco Exploration & Production Company, which has been notified of this application.

Please call me if you need anything further regarding this matter.

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐		5. LEASE DESIGNATION AND SERIAL NO. Federal LC 030187
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Gulf Oil Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P. O. Box 980, Kermit, Texas 79745		8. FARM OR LEASE NAME C. E. Latham
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL and 1980' FNL At proposed prod. zone Within 300' of surface location		9. WELL NO. 32
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 11 miles North of Jal, New Mexico		10. FIELD AND POOL, OR WILDCAT Teague Blinbry
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) Approx. 950' NW	16. NO. OF ACRES IN LEASE 1600	11. SEC., T., E., M., OR BLM. AND SURVEY OR AREA Sec. 28, 23-S, 37-E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320' West of No. 23	19. PROPOSED DEPTH 6300'	12. COUNTY OR PARISH 13. STATE Lea New Mexico
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3306.8' GR		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
22. APPROX. DATE WORK WILL START* Upon approval of Permit		20. ROTARY OR CABLE TOOLS Rotary

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24#	850'	Circulate
7-7/8"	5-1/2"	15.50#	6300'	Cmt. to base of Salt (2300')

Drill to 6300' to test the Teague Blinbry formation within the interval 5350' to 5900'.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. ORIGINAL SIGNED BY: **H. F. SWANNACK**
SIGNED: **H. F. Swannack** TITLE: **Area Production Manager** DATE: **3-7-68**
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE **APPROVED**

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:



*See Instructions On Reverse Side

MAP 8-1968
J. L. GORDON
ACTING DISTRICT ENGINEER

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

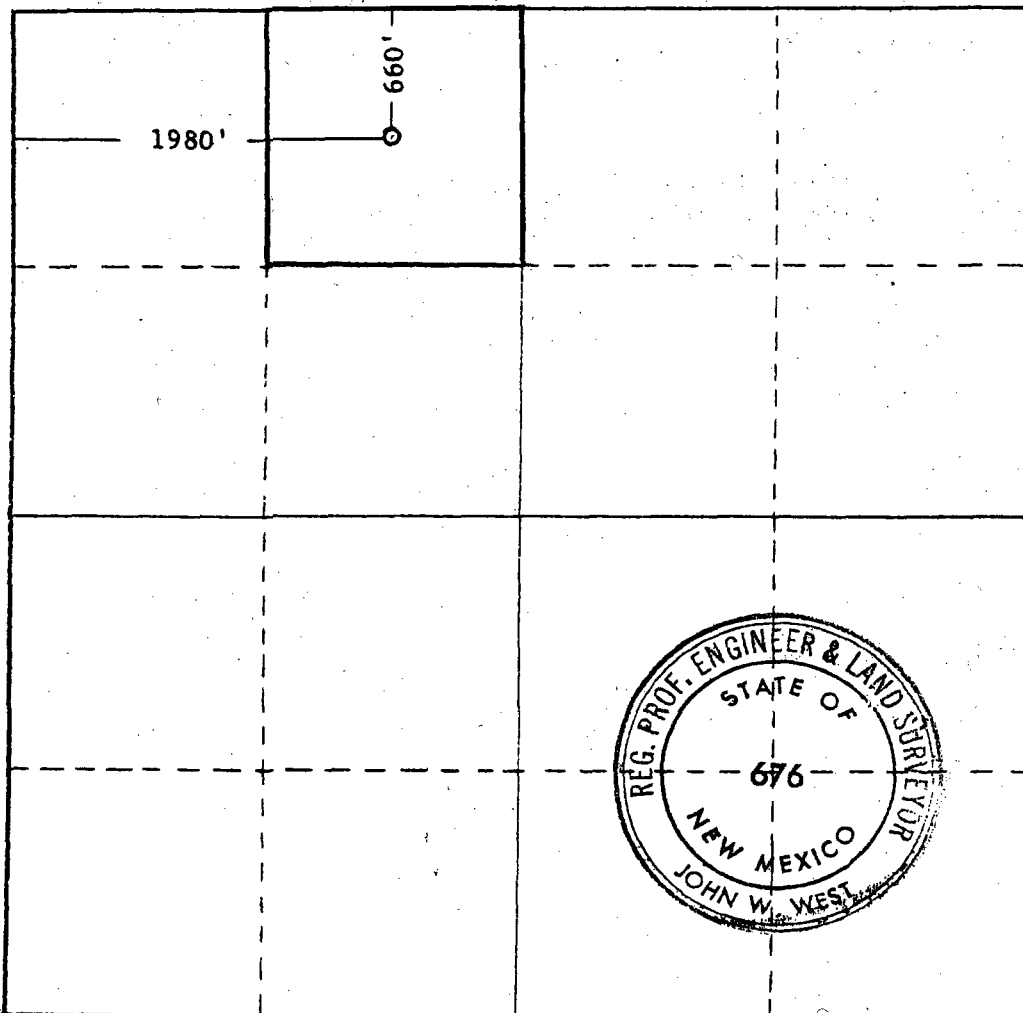
Operator GULF OIL CORP.			Lease C. E. LAMUNYON		Well No. 32
Unit Letter C	Section 28	Township 23 SOUTH	Range 37 EAST	County LEA	
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the WEST line					
Ground Level Elev. 3306.8	Producing Formation Blinberry		Pool Tongan Blinberry	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

ORIGINAL
SIGNED BY: **H. F. SWANNACK**

Name
H. F. Swannack

Position
Area Manager

Company
Gulf Oil Corporation

Date
March 7, 1968

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 knowledge and belief.

Date Surveyed
MARCH 6, 1968

Registered Professional Engineer
and/or Land Surveyor

John W. West
Certificate No.

676



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other in-
structions on
reverse side)Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐		12. PERMIT NO. ---		DATE ISSUED 3-8-68	
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVE. ☐ Other ☐		13. STATE Tex		14. COUNTY OR PARISH Tarrant	
2. NAME OF OPERATOR Gulf Oil Corporation		15. DATE SPUDDED 3-12-68		16. DATE T.D. REACHED 3-31-68	
3. ADDRESS OF OPERATOR P. O. Box 980, Kermit, Texas 79745		17. DATE COMPL. (Ready to prod.) 4-5-68		18. ELEVATIONS (DF, REB, RT, GR, ETC.) 3317' ROCK	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 660' FWL and 1980' FWL At top prod. interval reported below At total depth		19. ELEV. CASINGHEAD ---		20. TOTAL DEPTH, MD & TVD 6308'	
21. PLUG BACK T.D., MD & TVD 6271'		22. IF MULTIPLE COMPL., HOW MANY? ---		23. INTERVALS DRILLED BY ROTARY TOOLS ☒ CABLE TOOLS ☐	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 5447-5772' Blinberry		25. WAS DIRECTIONAL SURVEY MADE No		26. TYPE ELECTRIC AND OTHER LOGS RUN Acoustic - Gamma Ray Caliper Log	
27. WAS WELL CORED No		28. CASING RECORD (Report all strings set in well)		29. LINER RECORD	
CASING SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)	
8-5/8"		24.00		884'	
5-1/2"		15.50		6300'	
HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED	
11"		340 sks circulated		---	
7-7/8"		500 sks		---	
30. TUBING RECORD		31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
SIZE		TOP (MD)		BOTTOM (MD)	
None					
DEPTH SET (MD)		PACKER SET (MD)		AMOUNT AND KIND OF MATERIAL USED	
2-3/8"		5804'		500 gals acid, 6,000 gals 7 1/2% acid, 42,000 gals gelled brine, 54,000 20-40 sand, 2500 gals 15% acid.	
33. PRODUCTION		34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)		35. LIST OF ATTACHMENTS	
DATE FIRST PRODUCTION 4-5-68		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping		WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 4-16-68		HOURS TESTED 24		CHOKER SIZE 2"	
PROD'N. FOR TEST PERIOD ---		OIL—BBL. 233		GAS—MCF. 336	
WATER—BBL. 38		GAS-OIL RATIO 1442		FLOW. TUBING PRESS. 60	
CASING PRESSURE 100		CALCULATED 24-HOUR RATE ---		OIL—BBL. 233	
GAS—MCF. 336		WATER—BBL. 38		OIL GRAVITY-API (CORR.) 39.0	
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records		37. TEST WITNESSED BY C. Quinby		38. SIGNED H. F. SWANNACK	
39. TITLE Area Manager		40. DATE April 17, 1968		41. EXHIBIT B	

*(See Instructions and Spaces for Additional Data)



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

MAR 13 1997

C. E. Lemunyon

March 10, 1997

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 383-6161

Arch Petroleum, Inc.
10 Desta Drive, Suite 420E
Midland, Texas 79705

SUBJECT: Division Order R-10776
Teague Paddock-Blinebry Pool

*Bonnie
same #
58300*

Gentlemen:

According to the provisions of Division Order R-10776, effective March 1, 1997, the vertical limits of the Teague-Blinebry Pool are extended to include the Paddock formation and redesignated as the Teague Paddock-Blinebry Pool.

All wells currently listed as producing from the Teague-Blinebry Pool and/or the Teague-Paddock Pool are now classified as producing from the Teague Paddock-Blinebry Pool.

Please amend your records to show this change in pool designation on all your wells falling into either of these categories.

Also, please notify your transporters of these changes.

Very truly yours

OIL CONSERVATION DIVISION

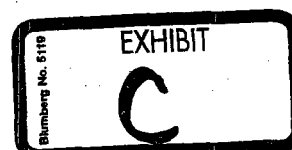
Jerry Sexton

Jerry Sexton
Supervisor, District I

*Changed
2-4-97*

/bp

File



District I
1625 N. French Dr., Hobbs, NM 88240
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

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-22472		2 Pool Code 33820/37240		3 Pool Name Jalmat/Langlie Mattix	
4 Property Code 014898		5 Property Name C. E. Lamunyon			6 Well Number 32
7 OGRID No. 000962		8 Operator Name Arch Petroleum Inc.			9 Elevation 3303'

10 Surface Location

UL or lot no. C	Section 28	Township 23S	Range 37E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line West	County Lea
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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
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation Code		15 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

16		17 OPERATOR CERTIFICATION	
660'		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
-1980'-		Signature <i>Cathy Tomberlin</i>	
		Printed Name Cathy Tomberlin	
		Title Sr. Operation Tech	
		Date 03/05/03	
		18 SURVEYOR CERTIFICATION	
		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.	
		Date of Survey	
		Signature and Seal of Professional Surveyor:	
		Certificate Number	

*Standard
640-acre
Section*



OPERATOR COPY

RESUBMITTAL

Form 3150-3
(July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

LC-030187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

C. E. Lamunyon #78

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

Landlie Mattix 7R's Q Grbc

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Section 28, T23S, R37E

12. COUNTY OR PARISH

13. STATE

Lea County

NM

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

FEB 24 2003

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MIDLAND

2. NAME OF OPERATOR

Arch Petroleum Inc.

3. ADDRESS AND TELEPHONE NO.

P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 990' FNL & 430' FWL

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 10 miles south of Eunice New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Also to nearest drg. unit line, if any)

430'

16. NO. OF ACRES IN LEASE

1280

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1650'

19. PROPOSED DEPTH

3700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3309' GR

22. APPROX. DATE WORK WILL START*

When approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cmt to surface w/ Redi-mix
12-1/4"	8-5/8" J-55	32	1100'	900 sks circ to surface
7-7/8"	5-1/2" J-55	15.5	3700'	1000 sks circ to surface

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cmt to surface w/ Redi-mix.
2. Drill 12-1/4" hole to 1100'. Run & set 1100' 8-5/8" 32# J-55 ST&C csg. Cmt w/ 900 sks Cl "C" cmt + 1/4# Flocele/sk + 2% CaCl. Circ cmt to surface.
3. Drill 7-7/8" hole to 3700'. Run & set 3700' 5-1/2" 15.5# J-55 ST&C csg. Cmt w/ 1000 sks Cl "C" cmt + additives. Circ cmt to surface.

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Cathy Lambert

TITLE

Sr. Operation Tech

DATE

01/16/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to the same under the CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Lee H. Luna Acting

TITLE

FIELD MANAGER

DATE

2/21/03

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



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

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

DISTRICT II
P.O. Drawer 82, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 37240	Pool Name LANGLIE MATTIX-7 RIVERS, QUEEN, GRAYBURG
Property Code 14908	Property Name LAMUNYON	Well Number 78
OGRID No. 962	Operator Name ARCH PETROLEUM, INC.	Elevation 3309

Surface Location

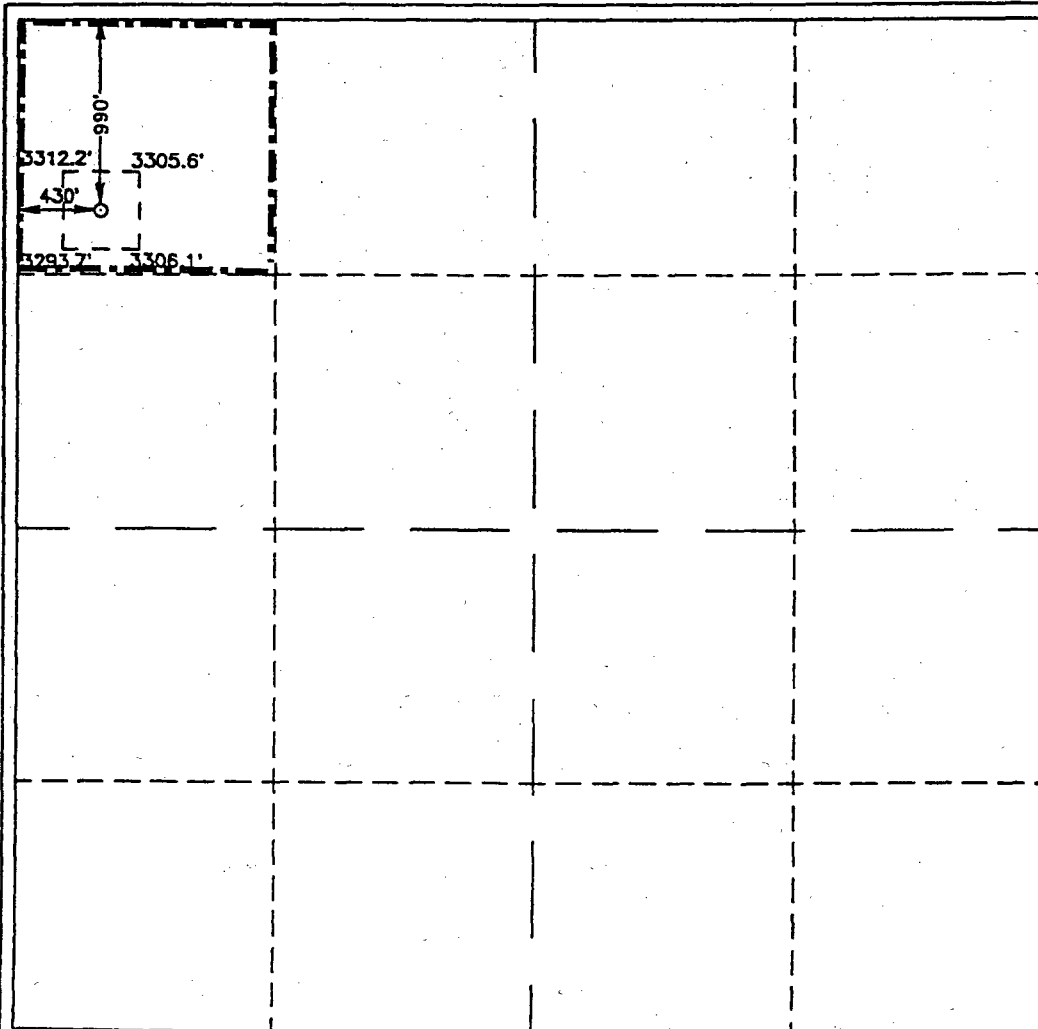
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	23 S	37 E		990	NORTH	430	WEST	LEA

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
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Joe T. Janica
Signature
Joe T. Janica
Printed Name
Agent
Title
11/25/00
Date

SURVEYOR CERTIFICATION

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.

NOVEMBER 15, 2000

Date Surveyed JLP
Signature & Seal of
Professional Surveyor
Ronald J. Edson 11/16/00
W.O. Num. 00-11-363
Certificate No. RONALD J. EDSON, 3239
GARY G. EDSON, 12641

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN DUPLICATE
OPERATOR'S COPYFORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995(See other in-
structions on
reverse side)

MIDLAND 030187

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL:		OIL WELL ☒	GAS WELL ☐	DRY ☐	Other _____		
b. TYPE OF COMPLETION:		NEW WELL ☒	WORK OVER ☐	DEEP-EN ☐	PLUG BACK ☐	DIFF. RESVR. ☐	Other _____
2. NAME OF OPERATOR Arch Petroleum Inc.						8. FARM OR LEASE NAME, WELL NO. C. E. Lamunyon #78	
3. ADDRESS AND TELEPHONE NO. P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100						9. API WELL NO. 30-025-36188	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 990' FNL & 430' FWL At top prod. interval reported below Same At total depth Same						10. FIELD AND POOL, OR WILDCAT Langlie Mattix 7R's Queen Gry	
14. PERMIT NO.						DATE ISSUED 02/21/03	12. COUNTY OR PARISH Lea County
15. DATE SPUDDED 04/03/03						16. DATE T.D. REACHED 04/09/03	13. STATE NM
17. DATE COMPL. (Ready to prod.) 04/21/03						18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 3309	19. ELEV. CASINGHEAD 3310
20. TOTAL DEPTH, MD & TVD 3670		21. PLUG, BACK T.D., MD & TVD 3629		22. IF MULTIPLE COMPL. HOW MANY*		23. INTERVALS DRILLED BY ROTARY TOOLS 0-3670	CABLE TOOLS
24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)* Queen 3145-55, 3447-62							25. WAS DIRECTIONAL SURVEY MADE No
26. TYPE ELECTRIC AND OTHER LOGS RUN GR/CCL CNL							27. WAS WELL CORED No
28. CASING RECORD (Report all strings set in well)							
CASING SIZE/GRADE		WEIGHT, LB./FT.		DEPTH SET (MD)		HOLE SIZE	
8-5/8		32		1110		12-1/4	
5-1/2		15.5		3670		7-7/8	
29. LINER RECORD							
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT*	
30. TUBING RECORD							
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT*	
2-3/8							
31. PERFORATION RECORD (Interval, size and number) 3145-55, 3447-62 (1 spf)							
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
DEPTH INTERVAL (MD)				AMOUNT AND KIND OF MATERIAL USED			
3145-3462 (0A)				Acdz w/ 1500 gals 15% NeFe acid			
				Frac w/ 3750# mesh + 60,000#			
				16/30 SLC + 95,000# 16/30 Brady			
33. * PRODUCTION							
DATE FIRST PRODUCTION 04/21/03		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping				WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 04/26/03		HOURS TESTED 24		CHOKE SIZE ---		PROD'N FOR TEST PERIOD OIL—BBL 28	
FLOW. TUBING PRESS. ---		CASING PRESSURE ---		CALCULATED 24-HOUR RATE ---		GAS—MCF. 171	
						WATER—BBL 38	
						OIL GRAVITY-API (CORR.) 35.7	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold							
35. LIST OF ATTACHMENTS C-104, Logs, Deviation Survey, Sundry							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							
SIGNED <i>Cathy Lambert</i>				TITLE Sr. Operation Tech			
DATE 05/01/03							

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT

F

Memo

To: Jim Bruce

From: Glenn Curry

March 5, 2004

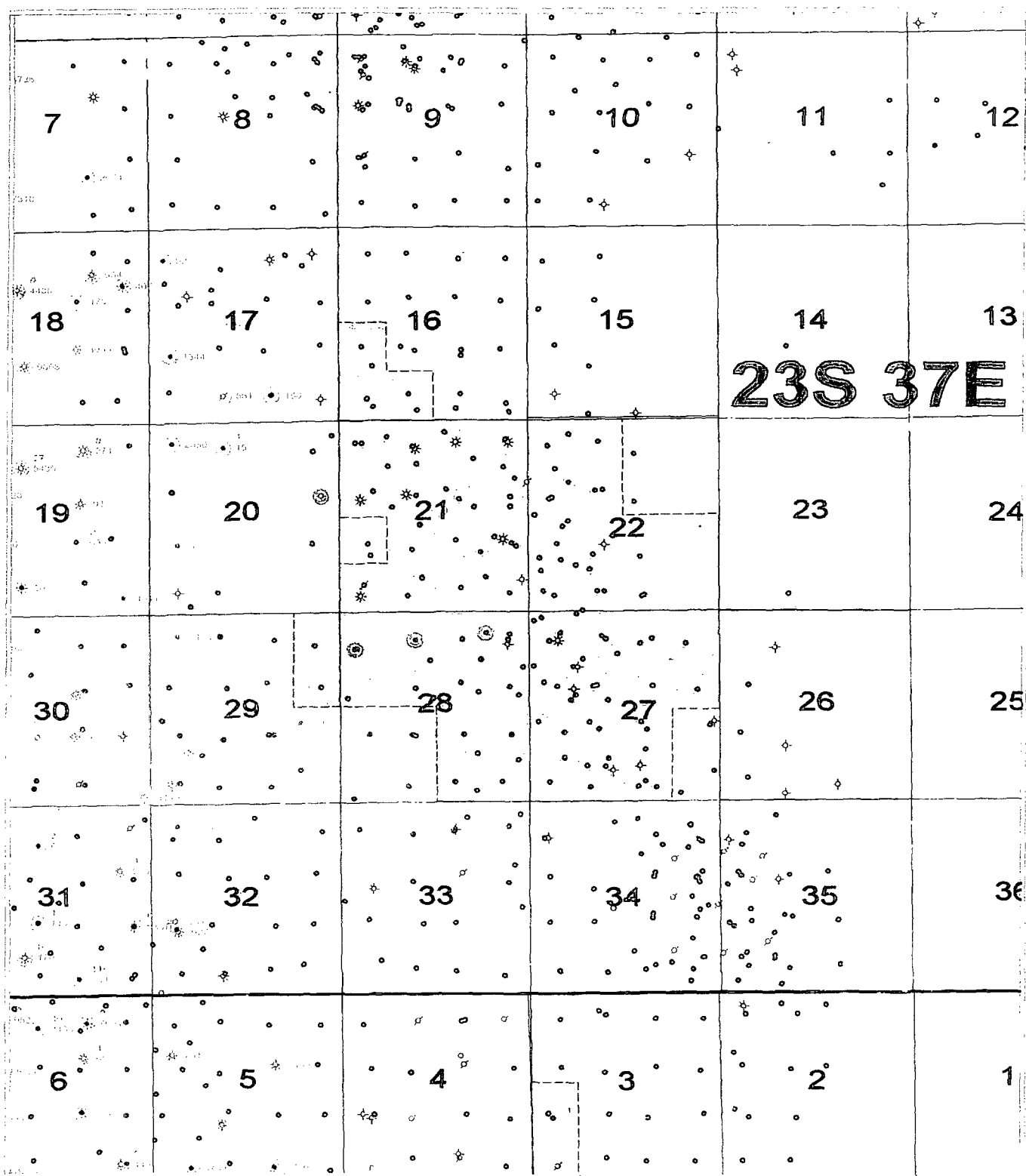
RE: Jalmat completions on the Teague Anticline

I am enclosing the following displays:

- 1) Jalmat production Map shows historical cumms MCF for Jalmat producers also recent Jalmat completions are indicated with blue circles.
- 2) Yates structure map
- 3) Scout ticket for Johnson # 3
- 4) Arch Well test reports for Lamunyon 78, 32, 23
- 5) Production plots for nearby Jalmat producers

The Yates -Seven Rivers reservoir grades from a porous dolomitic sand downdip to a dolomite updip on the Teague Anticline. The porosity in the Lamunyon 78 ranges from 8 to 12 percent. Wells just 2 to 3 miles west in a basinward direction will have much thicker dolomitic sands with 15 to 20 percent porosity. There is a direct relationship between porosity and permeability in this reservoir. Jalmat completions on the Teague structure will not effectively drain 160 acres.





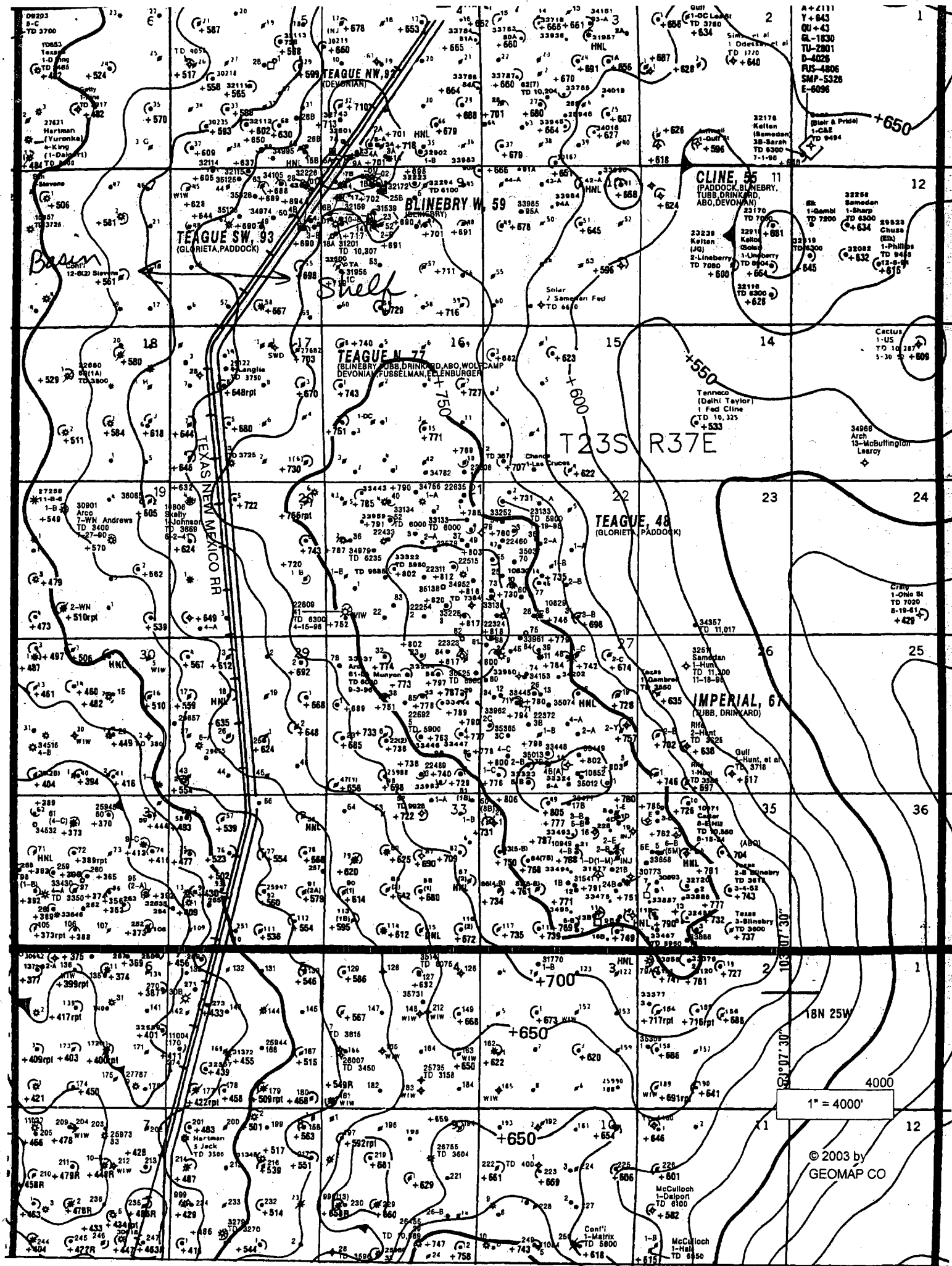
LEGEND

● PROD T-Y-7
 ○ Recent Jalmat Completions
 ARCH LEASEHOLD

ARCH PETROLEUM INC

TEAGUE FIELD AREA
LEA COUNTY, NEW MEXICO
JALMAT PROD MAP

CLIENT/CURPY		10/1991
ALL WELLS	Scale 1"=5000'	JALMATg



© 2003 by
GEOMAP CO

PI/Dwights PLUS on CD Well Summary Report

General Information	
State	: NEW MEXICO
County	: LEA
Field	: JALMAT
Operator Name	: FULFER OIL & CATTLE
Lease Name	: JOHNSON J-C
Well Number	: 3
API Number	: 30025108080001
Regulatory API	:
Init Lahee Class	: D X
Final Lahee Class	:
Permit Number	:
Geologic Province	: PERMIAN BASIN
Formation at TD	:
Oldest Age Pen	:
Township	: 23 S
Range	: 37 E
Base Meridian	: NEW MEXICO
Final Status	:
Drill Total Depth	:
Log Total Depth	:
True Vertical Depth	:
Spud Date	:
Comp Date	:
Hole Direction	: VERTICAL
Reference Elevation	:
Ground Elevation	:
KB Elevation	:
Section	: 20 SEC
Spot	: C SE NE

Additional Location Information	
Footage Location	: 1980 FNL 660 FEL CONGRESS SECTION
Latitude	: 32.2914500
Longitude	: -103.1780400
Lat./Long. Source	: TS
Location Narrative	: Type
	SCALED_FOOT
	IRREG_SECT
Latitude (Bot)	:
Longitude (Bot)	:
Remark	:
	REGULATORY
	N

Re enter old well + completed as
Jalmat Producer

Initial Rate 1,000 MCFD.

Feb 2004

Oil Well Test Summary Report

Battery: C.E. LAMUNYON BATT #1

Satellite: Lamunyon 1 Satellite

Well: #78 C.E. Lamunyon

Start Date: 11/01/2003 End Date: 03/04/2004

Name	Test Date	Hrs Test	Test Type	Test Data						Gas Chart Data			
				Oil Volume	Water Volume	Gas Volume	OW Tot Gas Lift	Calc Water Cut	GOR	Gas Temp	Gas Press	Gas Diff Press	Orif Size
		hrs		bbbl	bbbl	mscf	mscf	%	mscf/bbl	F	psig	in-H ₂ O	in
#78 C.E. Lamuny...	10/29/2003	24.00	Single Day	11	10	100	0	47.62	9.09	-?	-?	-?	-?
#78 C.E. Lamuny...	11/11/2003	19.00	Single Day	0	0	969	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/12/2003	24.00	Single Day	0	6	1,058	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/13/2003	24.00	Single Day	0	3	1,089	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/14/2003	24.00	Single Day	0	12	1,233	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/15/2003	24.00	Single Day	0	4	1,188	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/16/2003	24.00	Single Day	0	8	1,188	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/17/2003	24.00	Single Day	0	4	1,148	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	11/25/2003	24.00	Single Day	0	1	856	0	100.00	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	12/02/2003	24.00	Single Day	0	0	684	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	12/03/2003	24.00	Single Day	0	0	684	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	12/22/2003	24.00	Single Day	0	0	423	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	01/14/2004	24.00	Single Day	0	0	300	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	01/18/2004	24.00	Single Day	0	0	560	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/01/2004	24.00	Single Day	0	0	480	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/08/2004	24.00	Single Day	0	0	417	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/10/2004	24.00	Single Day	0	0	475	0	-?	-?	-?	-?	-?	-?
#78 C.E. Lamuny...	02/16/2004	24.00	Single Day	0	0	417	0	-?	-?	-?	-?	-?	-?

Oil Well Test Summary Report

Battery: C.E. LAMUNYON BATT #1

Satellite: Lamunyon 1 Satellite

Well: #23 C. E. Lamunyon

Start Date: 01/01/2004

End Date: 03/04/2004

Name	Test Date	Hrs Test	Test Type	Test Data						Gas Chart Data			
				Oil Volume	Water Volume	Gas Volume	OW Tot. Gas Lift	Calc. Water Out	GOR	Gas Temp	Gas Press	Gas Diff. Press	Orif. Size
		hrs		bbbl	bbbl	mscf	mscf	%	mscf/bbl	F	psig	inH2O	in
#23 C. E. Lamun...	10/12/2003	24.00	Single Day	2	4	34	0	66.67	17.00	-?	-?	-?	-?
#23 C. E. Lamun...	01/22/2004	17.00	Single Day	0	104	890	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/23/2004	24.00	Single Day	0	104	1,031	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/24/2004	24.00	Single Day	0	104	915	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/25/2004	24.00	Single Day	0	36	850	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/26/2004	24.00	Single Day	0	17	807	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	01/27/2004	24.00	Single Day	0	4	710	0	100.00	-?	-?	-?	-?	-?
#23 C. E. Lamun...	02/18/2004	24.00	Single Day	0	4	345	0	100.00	-?	-?	-?	-?	-?

Oil Well Test Summary Report

Battery: C.E. LAMUNYON BATT #1

Satellite: Lamunyon 1 Satellite

Well: #32 C. E. Lamunyon

Start Date: 01/01/2004

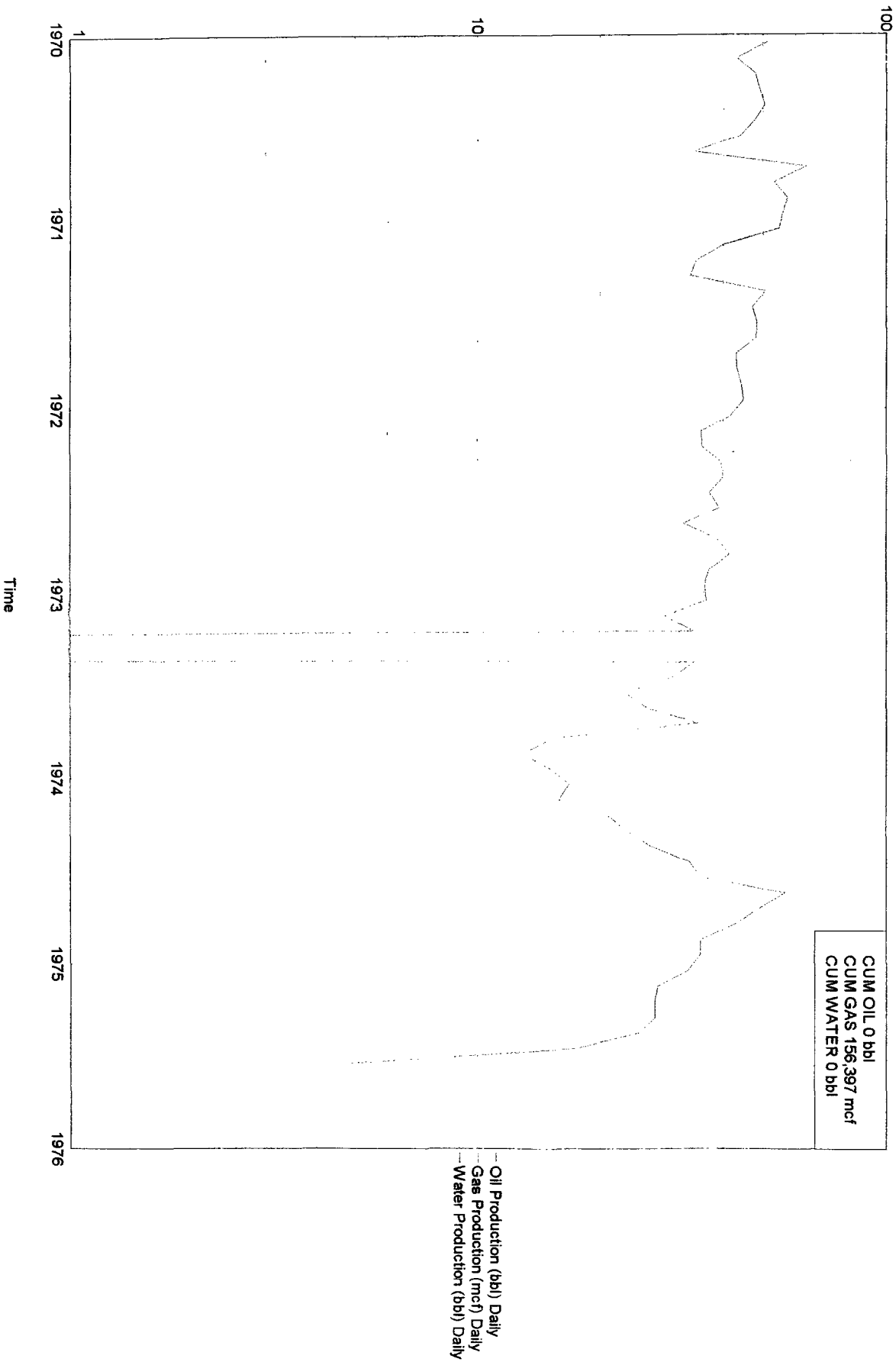
End Date: 03/04/2004

Name	Test Date	Hrs Test	Test Type	Test Data						Gas Chart Data			
				Oil Volume	Water Volume	Gas Volume	OW Tot Gas Lift	Calc. Water Cut	GOR	Gas Temp	Gas Press	Gas Diff. Press	Orif. Size
		hrs		bbbl	bbbl	mscf	mscf	%	mscf/bbl	F	psig	inH2O	in
#32 C. E. Lamun...	10/21/2003	24.00	Single Day	2	5	45	0	71.43	22.50	-?-	-?-	-?-	-?-
#32 C. E. Lamun...	01/15/2004	24.00	Single Day	0	148	1,219	0	100.00	-?-	-?-	-?-	-?-	-?-
#32 C. E. Lamun...	01/16/2004	22.00	Single Day	0	40	1,253	0	100.00	-?-	-?-	-?-	-?-	-?-
#32 C. E. Lamun...	01/17/2004	22.00	Single Day	0	24	1,219	0	100.00	-?-	-?-	-?-	-?-	-?-
#32 C. E. Lamun...	01/28/2004	22.00	Single Day	0	24	670	0	100.00	-?-	-?-	-?-	-?-	-?-
#32 C. E. Lamun...	02/09/2004	24.00	Single Day	0	8	951	0	100.00	-?-	-?-	-?-	-?-	-?-
#32 C. E. Lamun...	02/17/2004	24.00	Single Day	1	2	834	0	66.67	834.00	-?-	-?-	-?-	-?-

Daily Production Rates

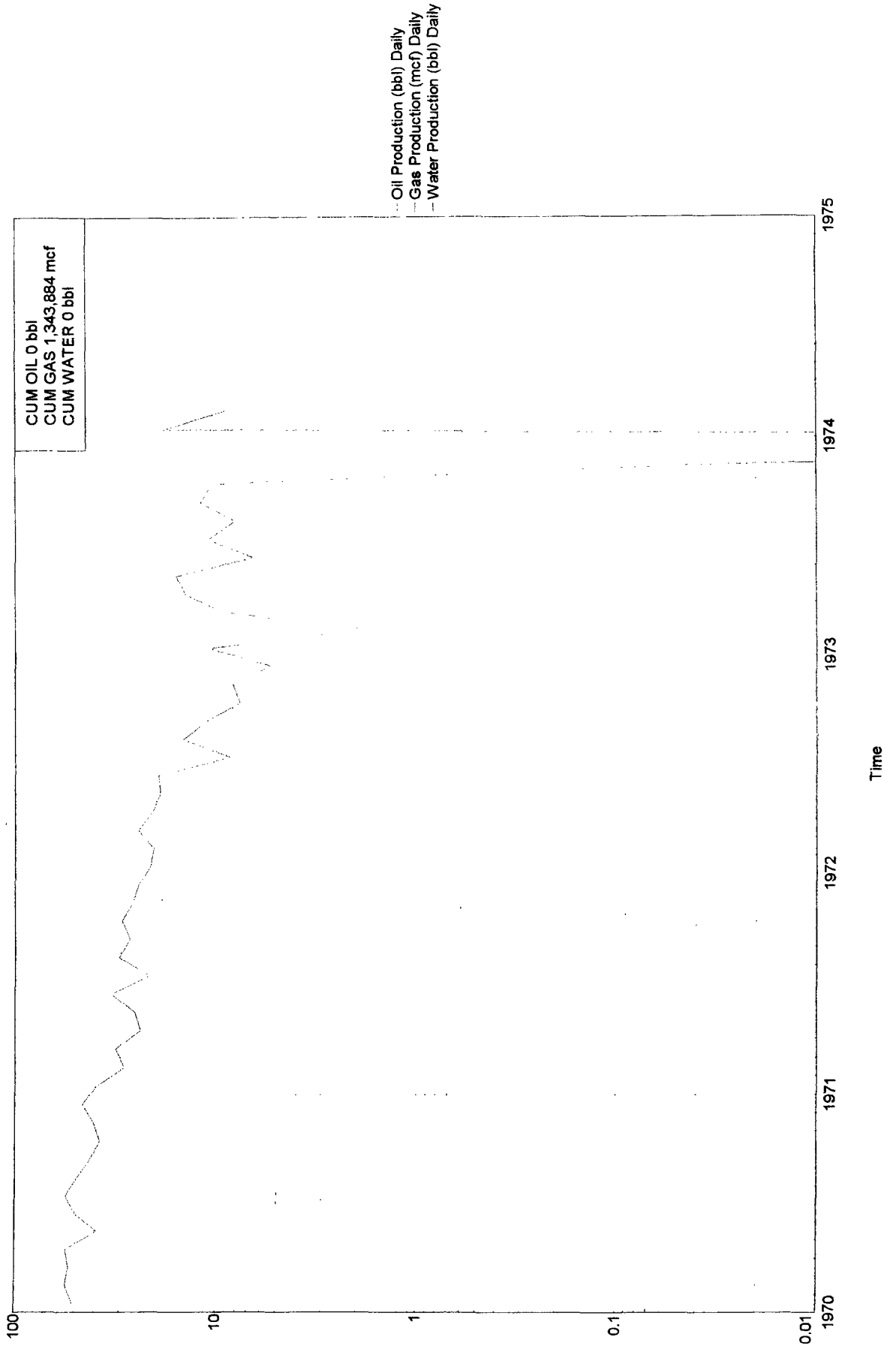
Lease Name: HUGHES B FEDERAL
County, State: LEA, NM
Operator: SAMEBAN OIL CORPORATION
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 17 23S 37E

HUGHES B FEDERAL 2 30025219360000 TANSILL-YATES-SEVEN



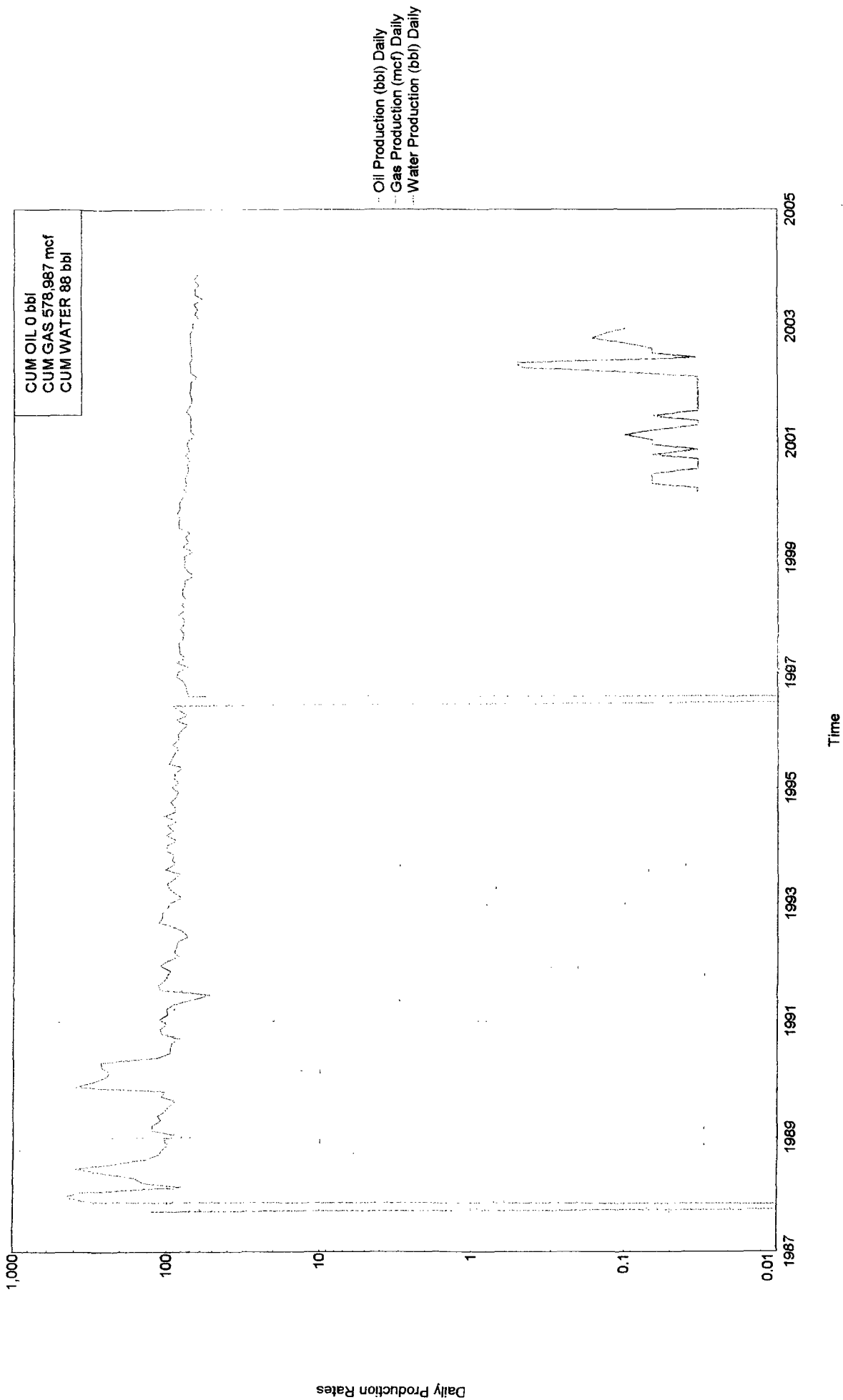
Lease Name: E L STEELER
County, State: LEA, NM
Operator: SKELLY OIL COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 17 23S 37E

E L STEELER 7 30025107890000 TANSILL-YATES-SEVEN



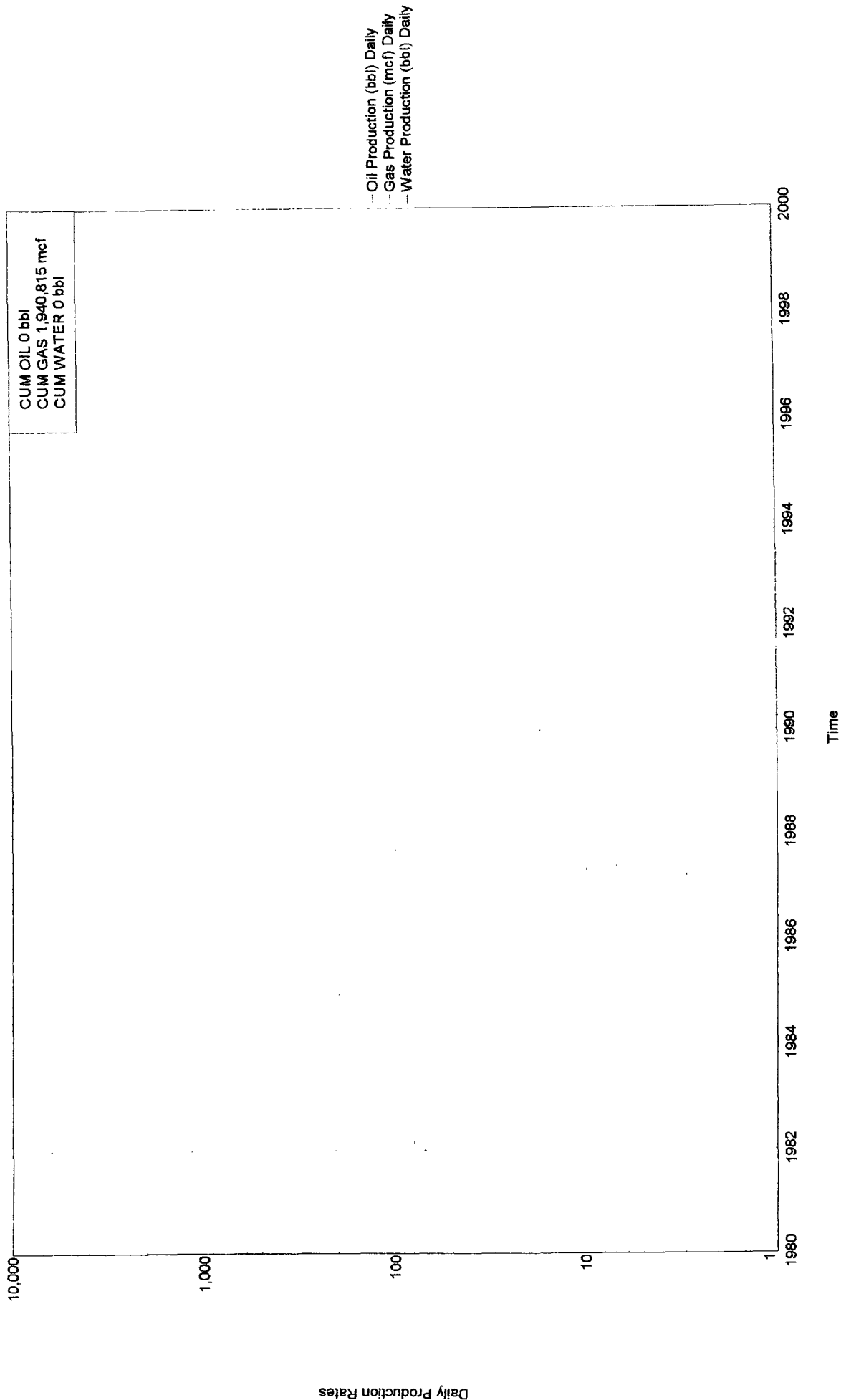
Lease Name: HUGHES FEDERAL
County, State: LEA, NM
Operator: BURLESON LEWIS B INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 17 23S 37E

HUGHES FEDERAL 3 30025251910000 TANSILL-YATES-SEVEN



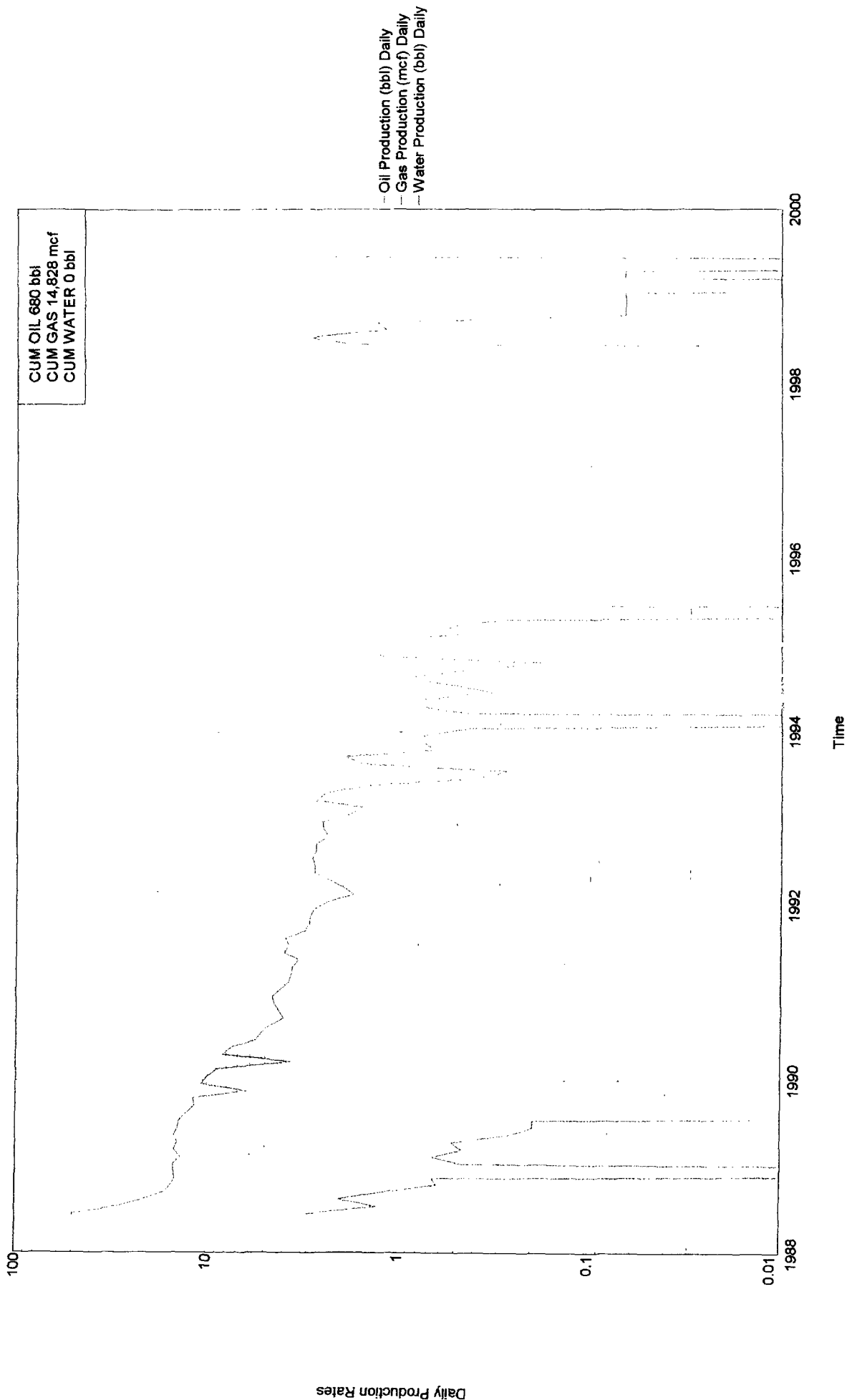
Lease Name: E L STEELER WN
County, State: LEA, NM
Operator: ATLANTIC RICHFIELD COMPANY THE
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 19 23S 37E

E L STEELER WN 1 30025107990000 TANSILL-YATES-SEVEN



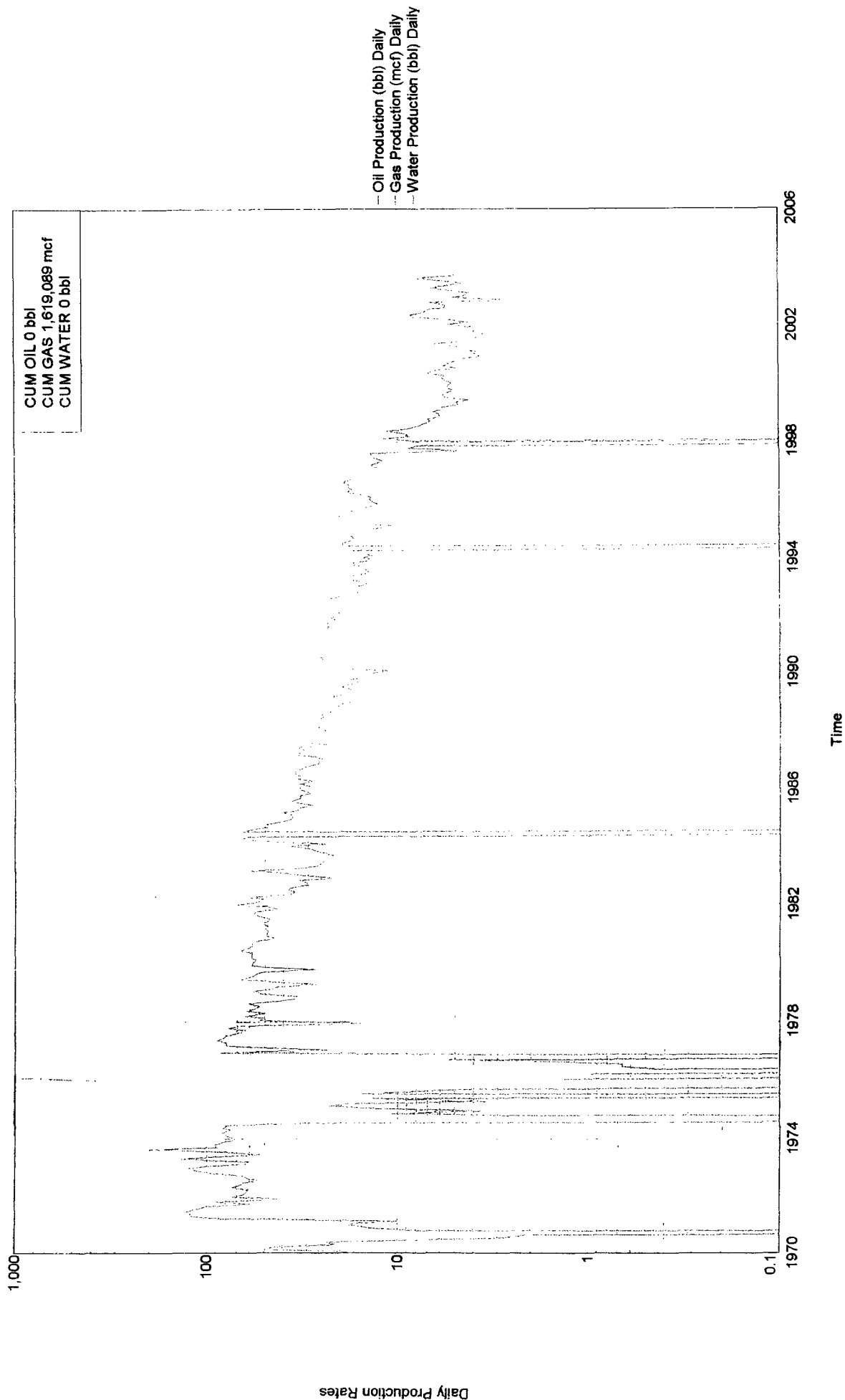
Lease Name: J C JOHNSON
County, State: LEA, NM
Operator: FULFER OIL & CATTLE COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 20 23S 37E NE NW

J C JOHNSON 5 30025108120000 TANSILL-YATES-SEVEN



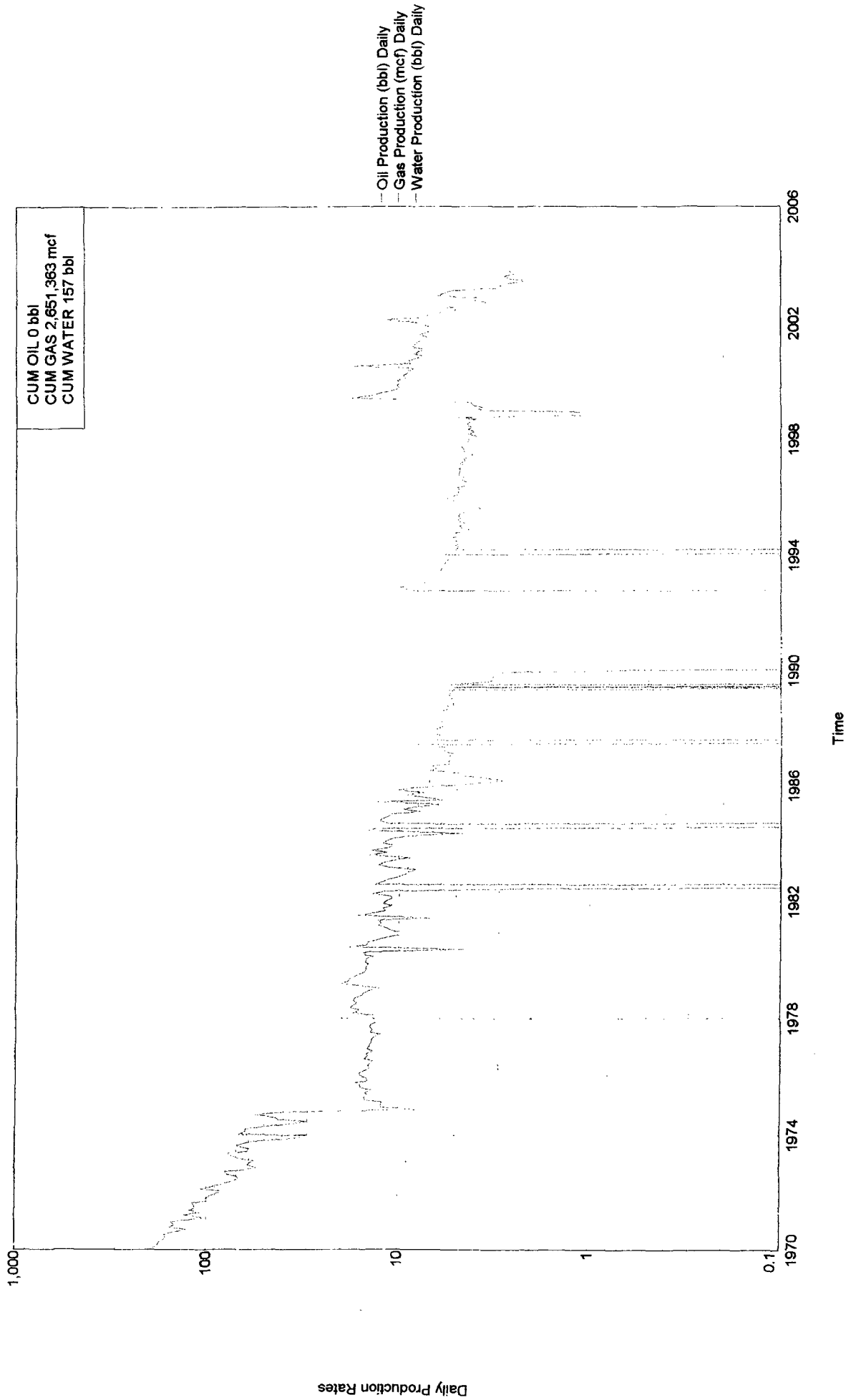
Lease Name: STEELER A
County, State: LEA, NM
Operator: WESTBROOK OIL CORPORATION
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 20 23S 37E

STEELER A 1 30025108050000 TANSILL-YATES-SEVEN



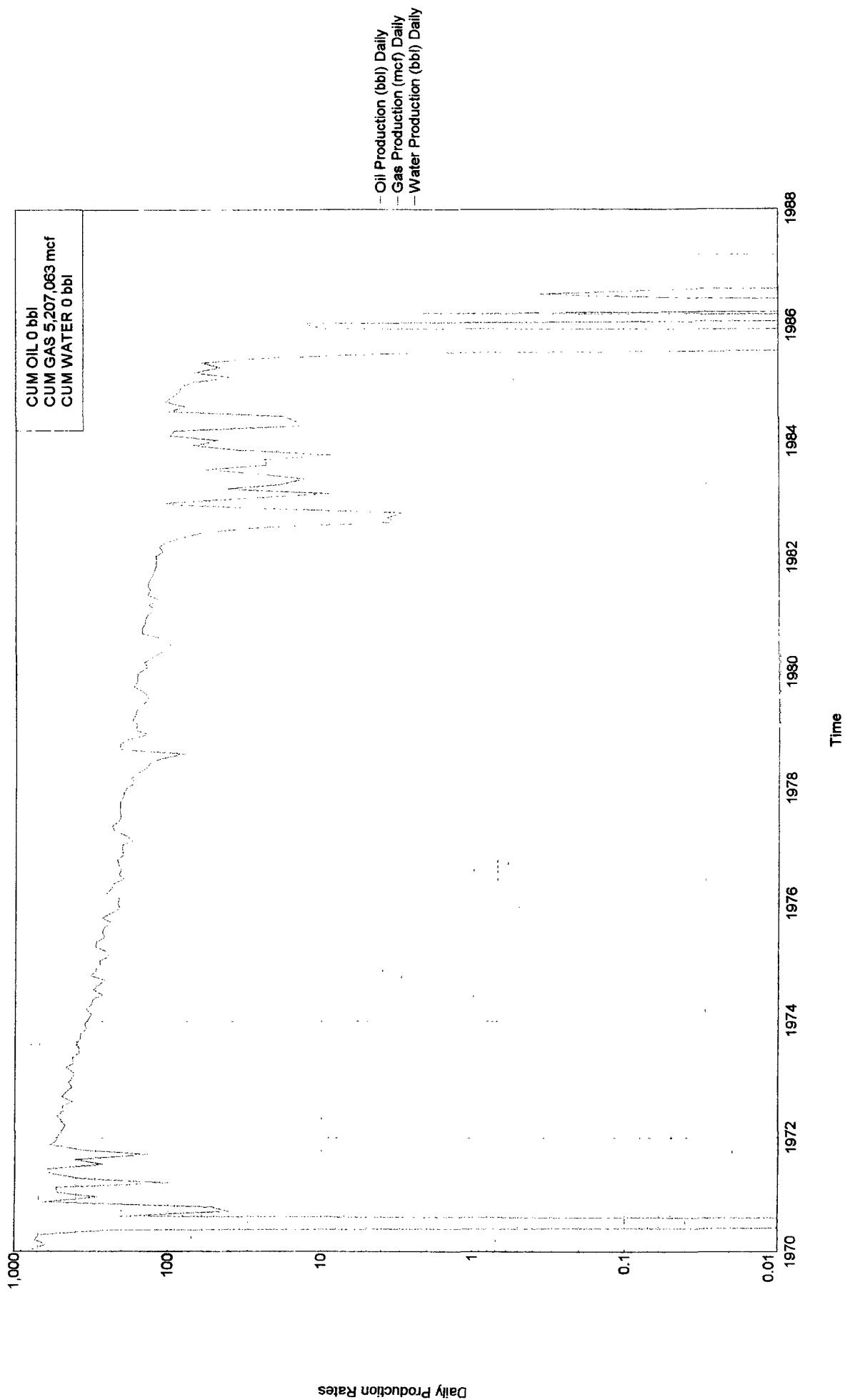
Lease Name: J C JOHNSON
County, State: LEA, NM
Operator: FULFER OIL & CATTLE COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 20 23S 37E

J C JOHNSON 4 30025108110000 TANSILL-YATES-SEVEN



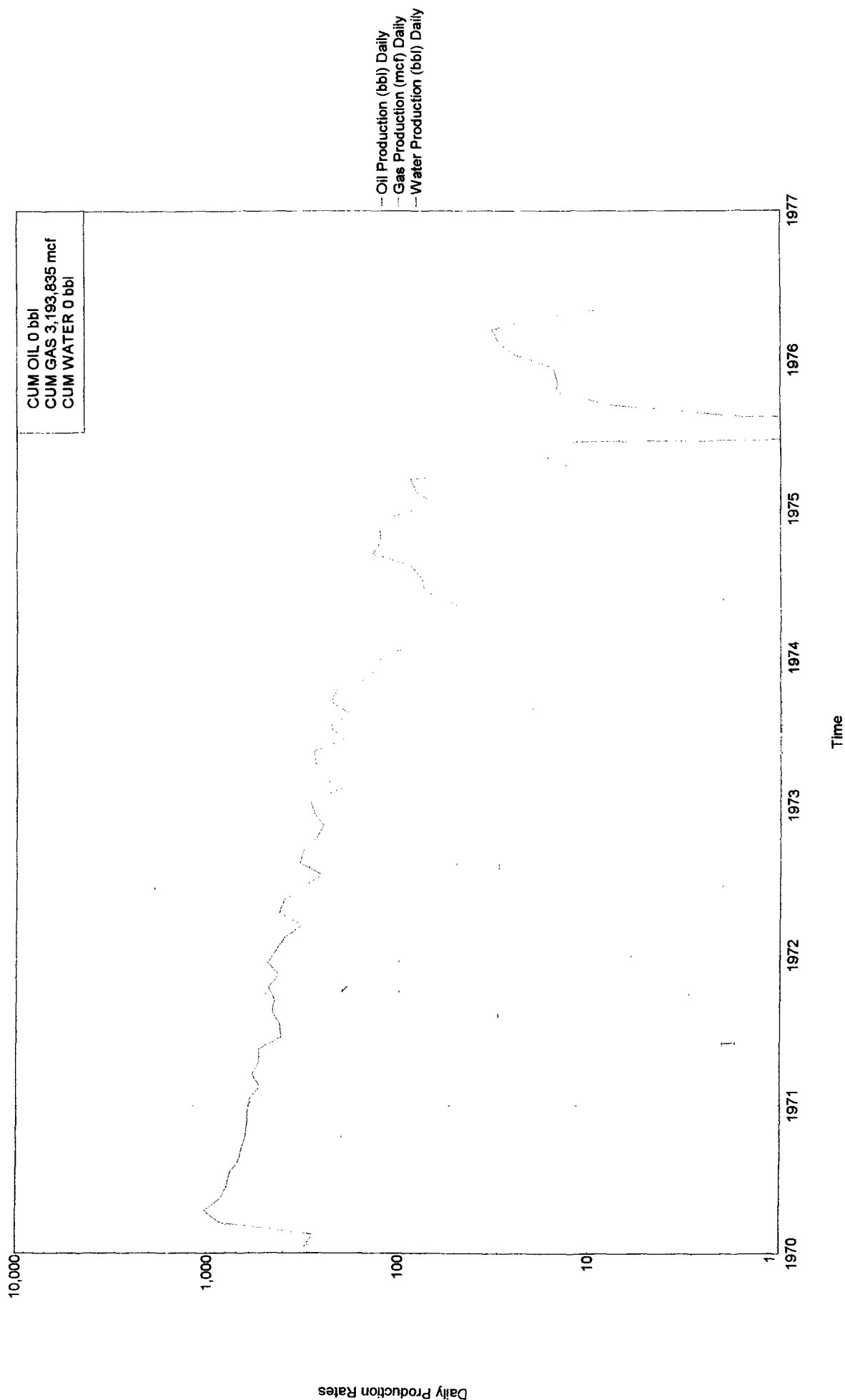
Lease Name: OLSON-BLINEBRY
County, State: LEA, NM
Operator: MERIDIAN OIL INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 29 23S 37E

OLSON-BLINEBRY 1 30025108830000 TANSILL-YATES-SEVEN



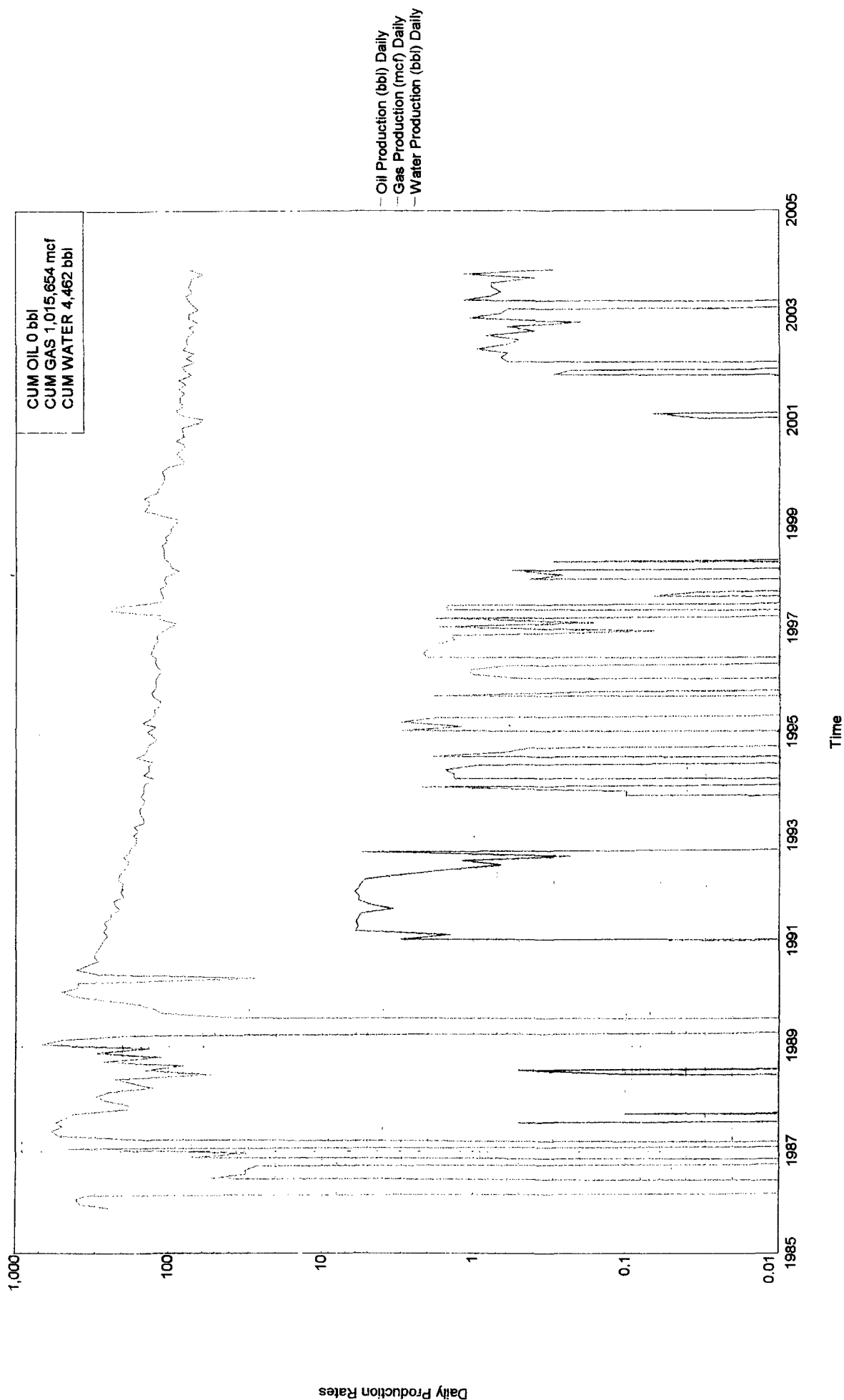
Lease Name: C E LAMUNYON
County, State: LEA, NM
Operator: GULF OIL CORPORATION
Field: JALMAT
Reservoir: SEVEN RVR QN GRBG
Location: 29 23S 37E

C E LAMUNYON 4 30025108710000 SEVEN RVR QN GRBG



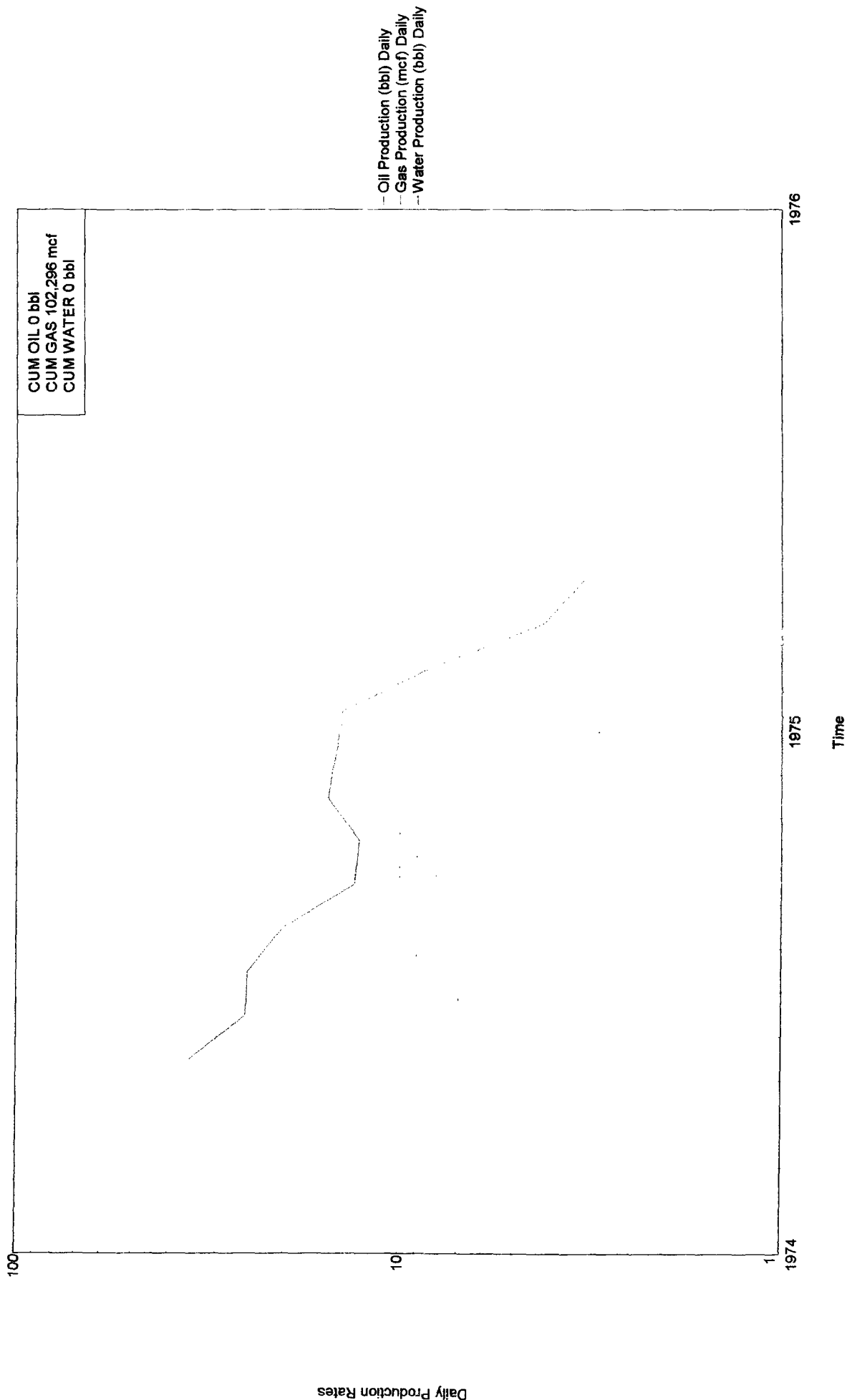
Lease Name: OLSEN BLINEBRY
County, State: LEA, NM
Operator: GRUY PETROLEUM MANAGEMENT COMPANY
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 29 23S 37E

OLSEN BLINEBRY 2 30025293710000 TANSILL-YATES-SEVEN



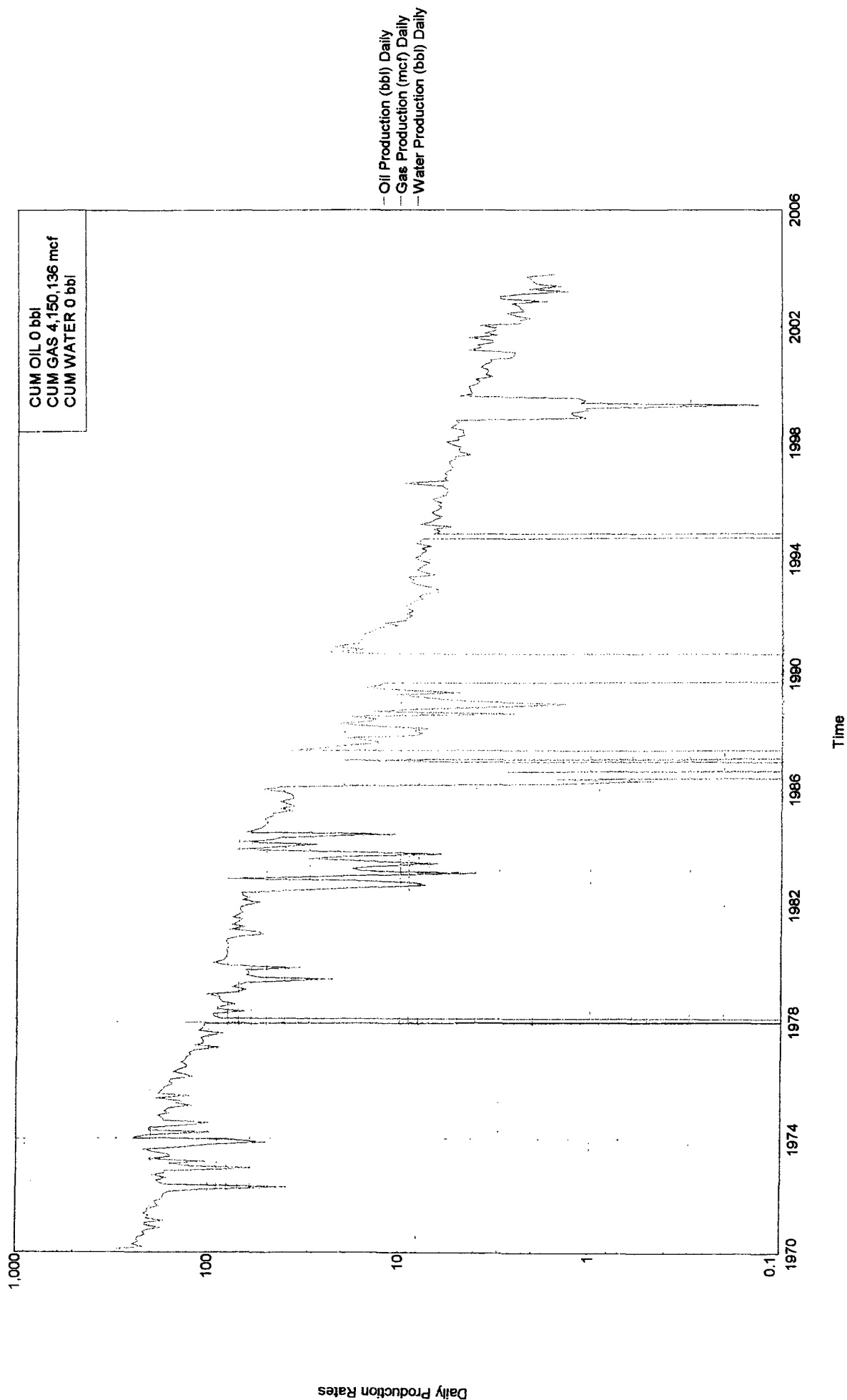
Lease Name: MYERS LANGLEIE MATTIX UNIT
County, State: LEA, NM
Operator: OXY USA INC
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 29 23S 37E

MYERS LANGLEIE MATTIX UNIT 2 30025108770000 TANSILL-YATES-SEVEN



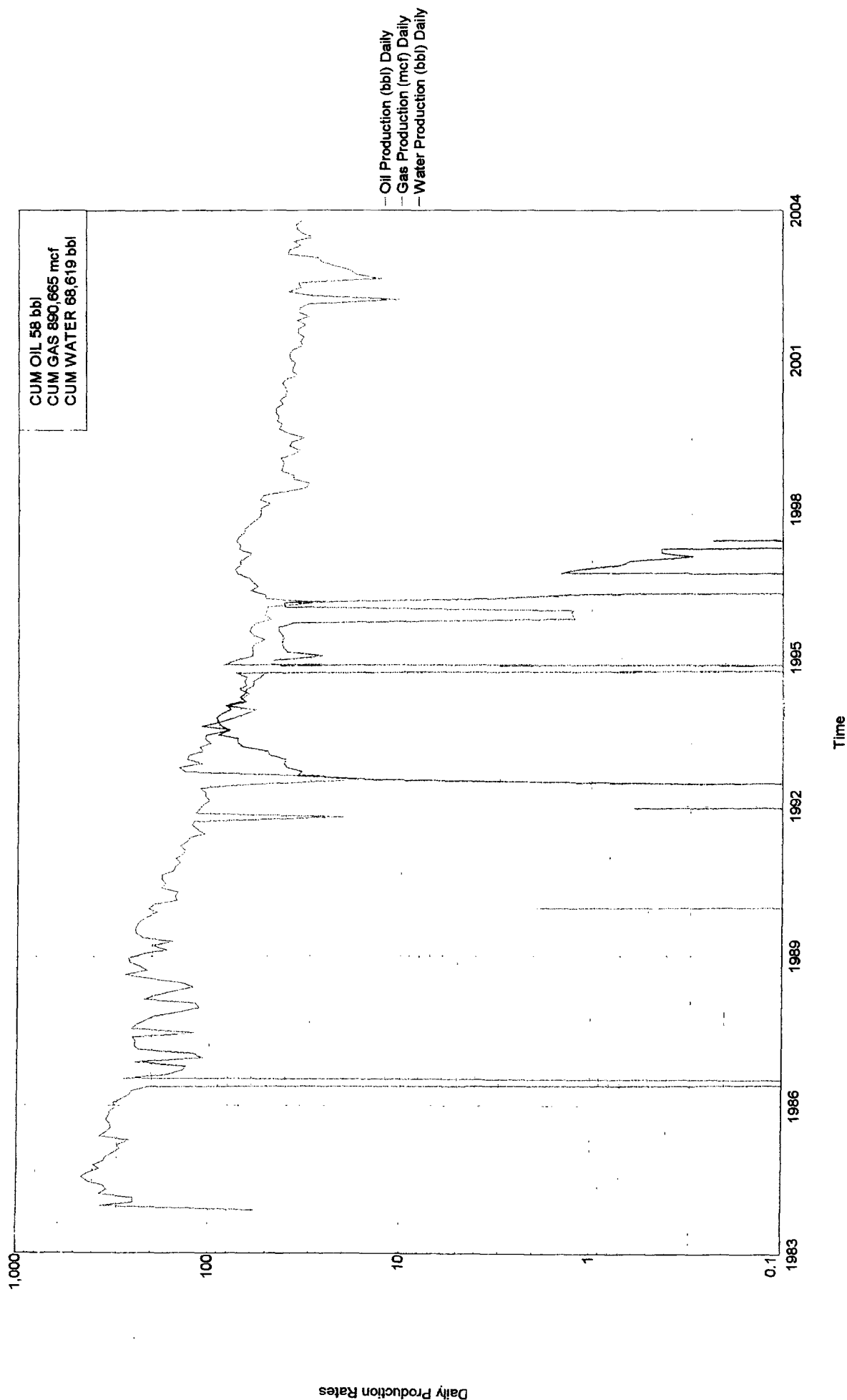
Lease Name: R W COWDEN A WN
County/State: LEA, NM
Operator: ROCA PRODUCTION INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 30 23S 37E

R W COWDEN A WN 1 30025108990000 TANSILL-YATES-SEVEN



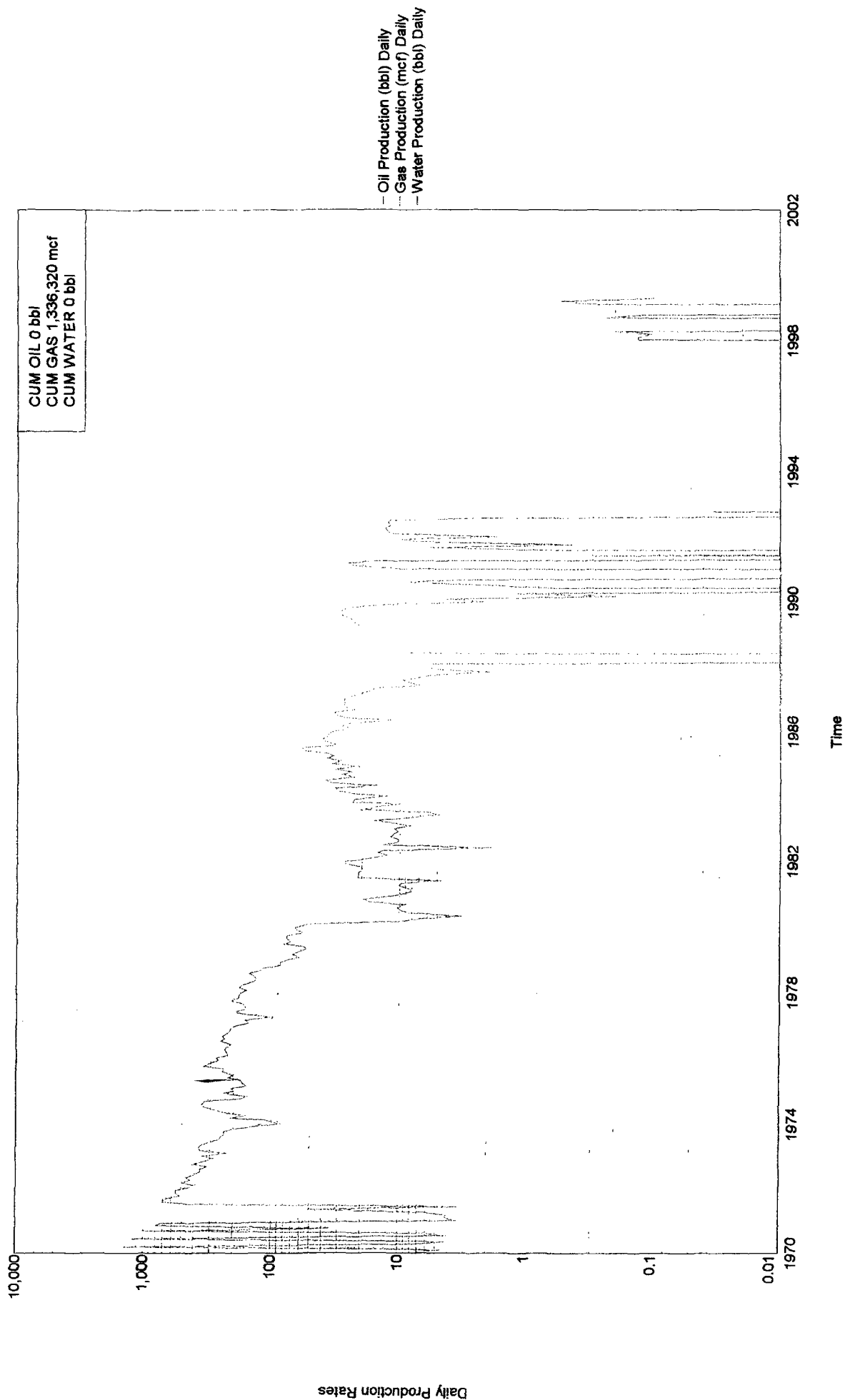
Lease Name: R W COWDEN C
County, State: LEA, NM
Operator: ROCA PRODUCTION INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 31 23S 37E

R W COWDEN C 9 30025279180000 TANSILL-YATES-SEVEN



Lease Name: H LEONARD B
County, State: LEA, NM
Operator: PERMIAN RESOURCES INCORPORATED
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 32 23S 37E

H LEONARD B 2 30025109170000 TANSILL-YATES-SEVEN



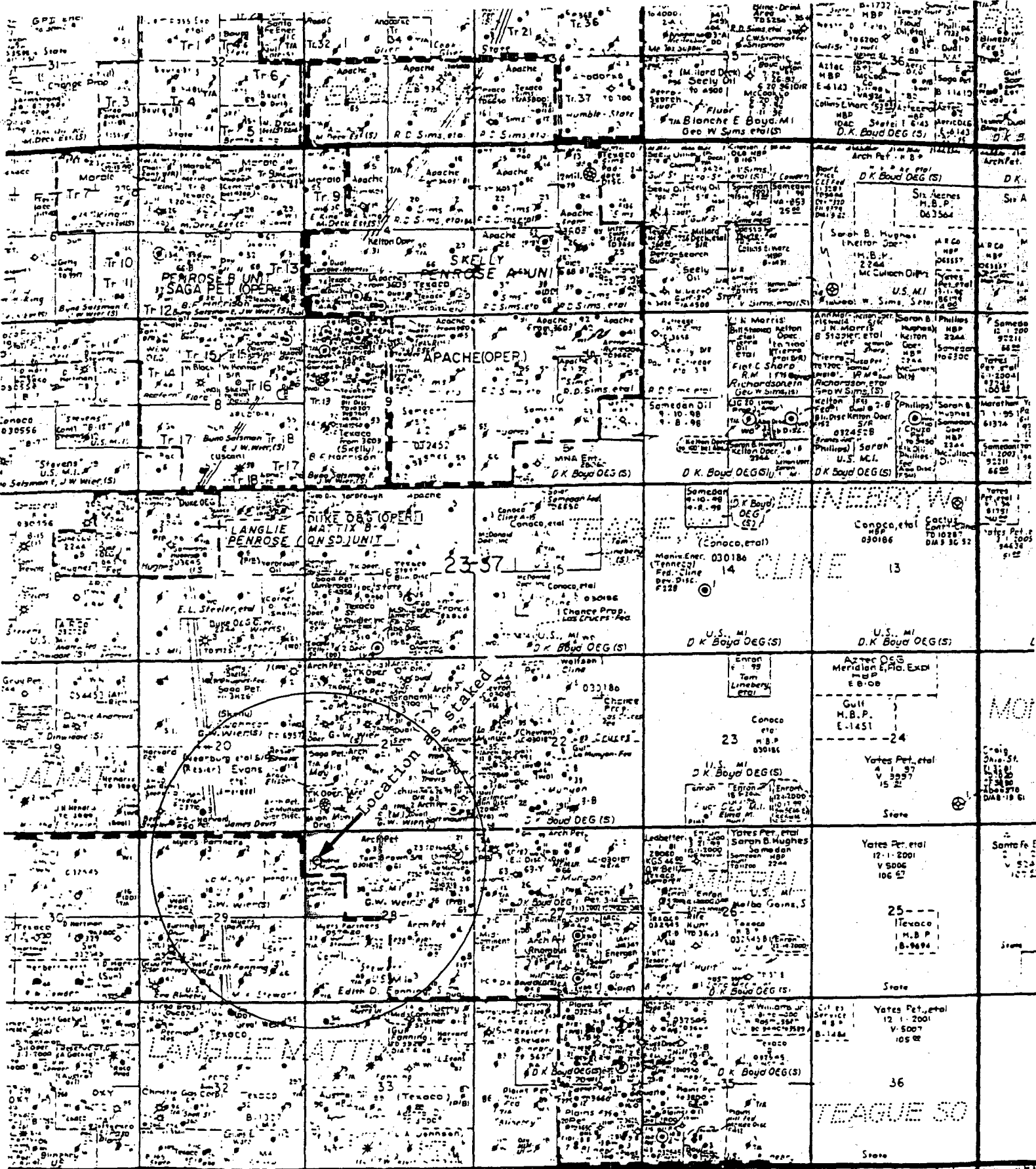


EXHIBIT "A-1"
ONE MILE RADIUS MAP

ARCH PETROLEUM, INC
C.E. LAMUNYON # 78
UNIT "D" SECTION 28
T23S-R37E LEA CO. NM



OFFSET INTEREST OWNERS

Westbrook Oil Corporation
P.O. Box 2264
Hobbs, NM 88241

ChevronTexaco
15 Smith Road
Midland, TX 79705

Apache Corporation
Two Warren Place
Suite 1500
6120 South Yale
Tulsa, OK 74136

Attention: Mario R. Moreno, Jr.

Pure Energy Group, Inc.
Suite 220
153 Treeline Park
San Antonio, TX 78209-1880

Chisos, Ltd.
Suite 1600
1221 Lamar Street
Houston, TX 77010

Occidental Permian, Ltd.
P.O. Box 4294
Houston, TX 77210

Ross Travis
P.O. Box 1202
Ojai, CA 93024

Lawrence I. Travis
424 Lombard Avenue
Pacific Palisades, CA 90272

Carole A. Travis, Trustee
P.O. Box 2870
Jackson, WY 83001

George G. Travis Trust
1712 Palisades Drive
Pacific Palisades, CA 90272

Robert Miles Travis
P.O. Box 25156
Seattle, WA 98125



Cissy R. Travis, Trustee
135 Coral Cay Drive
Palm Beach Gardens, FL 33418

Elson Oil Company
Suite 1404
20 East 5th Street
Tulsa, OK 74103

Frank Seeton
1815 Union Drive
Lakewood, CO 80215

The Long Trusts
P.O. Box 3096
Kilgore, TX 75663

Tom R. Cone
P.O. Box 778
Jay, OK 74346

Kenneth G. Cone
Kenneth G. Cone, Trustee
P.O. Box 11310
Midland, TX 79702

Cathie Cone McCown
Cathie Cone McCown, Trustee
P.O. Box 507
Dripping Springs, TX 78620

Randy Lee Cone
P.O. Box 552
Jay, OK 74346

Bank of Oklahoma, Trustee for
the children of Tom R. Cone
P.O. Box 3499
Tulsa, OK 74101

Clifford Cone
P.O. Drawer 1629
Lovington, NM 88260

Blackstone Minerals Company, LP
P.O. Box 201709
Houston, TX 77216

Dorothy Campbell, Trustee
Suite 203
2323 South Voss
Houston, TX 77057

Mary Jon Bryan
P.O. Box 1358
Lindale, TX 75771

Evans Oil & Gas, L.L.C.
3513 East Old Shakopee Road
Bloomington, MN 55425

Sheridan Family Trust
2711 West Calle de Dali
Tucson, AZ 85745

BMNW Resources, L.L.C.
P.O. Box 180573
Dallas, TX 75218

Stroube Energy Corporation
No. 123, LB 249
17194 Preston Road
Dallas, TX 75248

John E. McConnell
1318 Briar Bayou
Houston, TX 77077

Leila McConnell Gadbois
2525 Stanmore Drive
Houston, TX 79019

F. Bennett Watts
P.O. Box 231
Breckenridge, TX 76424

Roy G. Barton, Jr., Trustee
1919 North Turner Street
Hobbs, NM 88240

Harry L. Jones, II Trust
2315 Candy Lane
Malabar, FL 32950

Normarth Corporation
52 Salem Ridge Drive
Huntington, NY 11743

Michael Gidwitz
Suite 1705
208 South LaSalle Street
Chicago, IL 60604

Marjo Operating Co., Inc.
P.O. Box 729
Tulsa, OK 74101

BNW, Inc.
P.O. Box 892044
Oklahoma City, OK 73189

Osprey Resources, Inc.
Suite 1512
921 Main Street
Houston, TX 77002

Estate of Max R. Chudy, Sr.
50 South Meadow Drive
Orchard Park, NY 14127

Lenox Partners
P.O. Box 3096
Mill River, MA 01244

Estate of John L. Brady
5220 West Barry Avenue
Chicago, IL 60641

Kirby Minerals
P.O. Box 268947
Oklahoma City, OK 73125

Charles T. Gallaher, II
No. 103
5080 Harmony Circle
Vero Beach, FL 32967

Joseph Wesley Gallaher, II
19008 Quail Valley Boulevard
Gaithersburg, MD 20879

Wynn-Crosby Energy, Inc.
Suite 200
5500 West Plano Parkway
Plano, Texas 75093

OXY USA WTP Limited Partnership
P.O. Box 4294
Houston, Texas 77210

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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April 30, 2004

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Offset operators or interest owners

Ladies and gentlemen:

Enclosed is a copy of an application for administrative approval of a non-standard gas spacing unit, simultaneous dedication, and an unorthodox gas well location, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the NW¼ of Section 28, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico. If you object to the application, you must notify the Division, in writing, no later than May 20, 2004 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.

