



Case No. 13274

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 10, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

**James Bruce, Legal Counsel for Arch Petroleum,
Inc. and Westbrook Oil Corporation
P. O. Box 1056
Santa Fe, New Mexico 87504**

Re: *Two administrative applications on behalf of Westbrook Oil Corporation and Arch Petroleum, Inc. to divide the existing 320-acre non-standard Jalmat gas spacing unit comprising the S/2 of Section 20, Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool (79240), Lea County, New Mexico (approved by Division Administrative Order NSP-420, dated March 31, 1958), into two non-standard 160-acre units comprising the: (i) SW/4 of Section 20 to be dedicated to Westbrook Oil Corporation's existing Steeler "A" Well No. 1 (30-025-10805), located at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 20 (administrative application reference No. pSEM0-412035028); and (ii) SE/4 of Section 20 to be dedicated Arch Petroleum, Inc.'s Resler "B" Well No. 1 (API No. 30-025-36573), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 20 (administrative application reference pMES-412132180).*

Dear Mr. Bruce:

Subsequent to your filing of these two applications for administrative review on April 23rd and 28th, the Division is in receipt of: (i) your application dated May 4, 2004 for this matter to be set for hearing on the May 27, 2004 Division examiner's docket (Division Case No. 13274); and (ii) Mr. J. E. Gallegos's "Entry of Appearance and Objection on Behalf of Fulfer Oil & Cattle Co." in Case No. 13274, filed on May 7, 2004.

These two administrative applications are hereby withdrawn from consideration at this time and, to preserve the record in this matter, will be placed in the case file.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
J. E. Gallegos, Legal Counsel for Fulfer Oil & Cattle Co. - Santa Fe

DATE IN 4-23-04	SUSPENSE 5-13-04	ENGINEER MS	LOGGED IN MS	TYPE NSP	APP NO PMESD-412132180
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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

jamesbruc@aol.com

e-mail Address

APR 23 2004

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

RECEIVED

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 23, 2004

Hand Delivered

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

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 well:

<u>Well:</u>	Resler "B" Well No. 1	30-025-36573
<u>Location:</u>	1980 feet FSL & 1980 feet FEL	
<u>Well Unit:</u>	SE $\frac{1}{4}$ S20, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico	

Attached as Exhibit A are Forms C-101 and C-102 for the well. The well was drilled to a depth sufficient to test the Langlie-Mattix Pool (spaced on 40 acres), but has been completed in the Jalmat Gas Pool. A standard well unit in the Jalmat Gas Pool is 640 acres.

The S $\frac{1}{2}$ of Section 20, in the Jalmat Gas Pool, is currently dedicated to the Steeler "A" Well No. 1, located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, operated by Westbrook Oil Corporation. See Exhibit B. Applicant proposes to form a SE $\frac{1}{4}$ unit for its well, and at the same time re-form the unit for the Steeler "A" Well No. 1 to comprise the SW $\frac{1}{4}$ of Section 20. (The N $\frac{1}{2}$ of Section 20 is simultaneously dedicated to several Jalmat wells operated by Fulfer Oil & Gas Company.)

Exhibit C is a land plat. The offset operators or interest owners to the SE $\frac{1}{4}$ of Section 20 are as follows:

N $\frac{1}{2}$ S20:	Fulfer Oil & Gas Company
SW $\frac{1}{4}$ S20:	Westbrook Oil Corporation
NW $\frac{1}{4}$ SW $\frac{1}{4}$ S20:	Apache Corporation, et al. (<u>See</u> Exhibit D)

4-27-04
talked w/ Jim
will be submitting an appl.
for Westbrook tomorrow for the
SE $\frac{1}{4}$ S20.
M.E.S. will file the application
to re-form the SW $\frac{1}{4}$
unit on Monday.
Jim


Rest of §20:	Arch Petroleum Inc.
E½NE¼ §29:	Arch Petroleum Inc.
W½NE¼ & NW¼ §29:	ChevronTexaco Exploration & Production Company

Exhibit D lists all offsets, and their addresses.

Pursuant to Order No. R-8170-P, all offsets have been notified of this application. A copy of the notice letter is attached hereto as Exhibit E.

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

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.

all South East, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

RECEIVED ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPE~~N~~ PLUG BACK OR ADD A ZONE

Operator Name and Address ARCH PETROLEUM, INC. P.O. BOX 10340 MIDLAND, TEXAS 79702-7340		OGRID Number 962 MIDLAND API Number 30-025-36573
Property Code 33419	Property Name RESLER "B"	Well No. 1

Surface Location									
UL or lot no.	Section	Township	Range	Lot lch	Feet from the	North/South line	Feet from the	East/West line	County
J	20	23S	37E		1980'	SOUTH	1980'	EAST	LEA CO.

Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot lch	Feet from the	North/South line	Feet from the	East/West line	County
*Proposed Pool 1 33820 JALMAT - TANSIL-YATES-7RIVERS (OIL)					*Proposed Pool 2				

"Work Type Code N	"Well Type Code O	"Cable/Rotary ROTARY	"Lease Type Code P	"Ground Level Elevation 3307'
"Multiple NO	"Proposed Depth 3100'	"Formation UNKNOWN	"Contractor WHEN APPROVED	"Spud Date

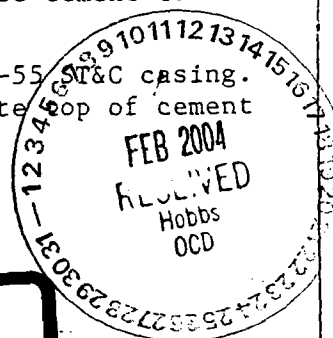
21 Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
25"	20"	Conductor	40'	Redi-mix	Surface
12 1/2"	8 5/8"	24	1100'	650 Sx.	Surface
7 7/8"	5 1/2"	15.5	3100'	750 Sx.	500'±

22 Describe the proposed program. If this application is to DEEPE~~N~~ or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 12 1/2" hole to 1100'. Run and set 1100' of 8 5/8" 24# J-55 ST&C casing. Cement with 650 Sx. of Class "C" cement + additives, circulate cement to surface.
3. Drill 7 7/8" hole to 3100'. Run and set 3100' of 5 1/2" 15.5# J-55 ST&C casing. Cement with 750 Sx. of Class "C" cement + additives, estimate top of cement 500' from surface.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

APPROVED FOR PAYMENT



I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Joe T. Janica</i>		OIL CONSERVATION DIVISION SIGNED BY: PAUL F. KAUTZ PETROLEUM ENGINEER	
Printed name: Joe T. Janica		Title: <i>Feb 11 2004</i>	
Title: Agent		Approval Date: <i>Feb 11 2004</i> Expiration Date:	
Date: 02/11/04	Phone: 505-301-8503	Conditions of Approval:	

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36573	Pool Code 33820	Pool Name JALMAT-TANSIL-YATES-7RIVERS (OIL)
Property Code 33419	Property Name RESLER B	Well Number 1
OGRID No. 962	Operator Name ARCH PETROLEUM, INC.	Elevation 3307'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	20	23-S	37-E		1980	SOUTH	1980	EAST	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

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

<p>GEODEIC COORDINATES NAD 27 NME Y = 470403.7 N X = 855672.7 E LAT. 32°17'16.84"N LONG. 103°10'56.65"W</p>	<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>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 02/11/04 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>FEBRUARY 3, 2004</p> <p>Date Surveyed Signature & Seal of Professional Surveyor <i>Gary B. Edson</i> 2/9/04 04.11.0121 Certificate No. GARY EDSON 12641</p>
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NEW MEXICO OIL CONSERVATION COMMISSION

~~Well Location~~ Acreage Dedication Plat

Section A.

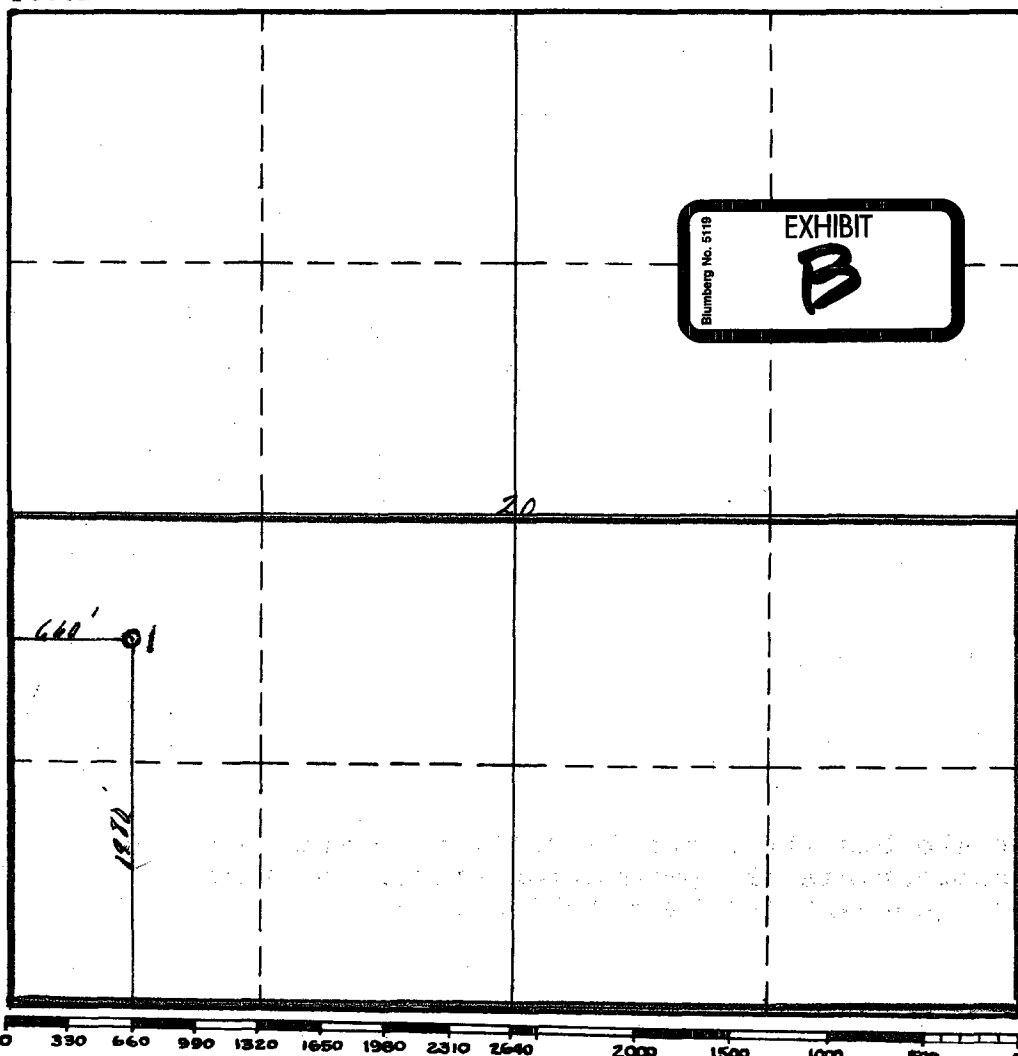
Operator Resler & Sheldon Lease Steeler "A"
Well No. L Unit Letter L Section 20 Township 23 South Range 37 East NMPM
Located 1980 Feet From South Line, 660 Feet From West Line
County Lea G. L. Elevation 3320 Dedicated Acreage 320 Acres
Name of Producing Formation Yates Pool Jalmat

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes _____ No x.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes x No _____. If answer is "yes," Type of Consolidation Operating Agreements
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

RESLER & SHELDON

(Operator)

Vilas P. Sheldon
(Representative)

302 Carper Bldg., Artesia, New
Address

This is to certify that the well location shown on the plat in Section B 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 _____

Vilas P. Sheldon
Registered Professional
Engineer and/or Land Surveyor.

Certificate No. 963



Tansill, Yates, Seven Rivers Formations, Resler "B" No. 1 Well Offset Ownership List, T-23-S, R-37-E, NMPPM, Lea County, NM

	Operator Name	Address	City	State	Zip Code	Section	Legal
1	Fulfer Oil & Gas Company	P. O. Box 578	Jal	NM	88252-0578	20	N/2
2	Westbrook Oil Corporation	P. O. Box 2264	Hobbs	NM	88241-2264	20	SW/4
3	ChevronTexaco Exploration & Production Company	15 Smith Road	Midland	TX	79705	29	NW/4 & W/2 NE/4
	Mineral Interest Owners	Address	City	State	Zip Code	Section	Legal
4	Apache Corporation	2000 Post Oak Blvd., Suite 100	Houston	TX	77056-4400	21	NW/4 SW/4
5	Pure Energy Group, Inc.	700 N. St. Mary Street, Suite 1925	San Antonio	TX	78205	21	NW/4 SW/4
6	Chisos, Ltd., a Texas Limited Partnership	1221 Lamar Street, Suite 1600	Houston	TX	77010	21	NW/4 SW/4
7	Occidental Permian, Ltd.	P. O. Box 4294	Houston	TX	77210-4294	21	NW/4 SW/4
8	Ross Travis	P. O. Box 1202	Ojai	CA	93024-1202	21	NW/4 SW/4
9	Lawrence I. Travis	424 Lombard Ave.	Pacific Palisades	CA	90272	21	NW/4 SW/4
10	Carole A. Travis, Trustee of the Carole A. Travis Living Trust	P. O. Box 2870	Jackson	WY	83001-2870	21	NW/4 SW/4
11	George G. Travis Trust	1712 Palisades Dr.	Pacific Palisades	CA	90272	21	NW/4 SW/4
12	Robert Miles Travis	P. O. Box 25156	Seattle	WA	98125-2056	21	NW/4 SW/4
13	Cissy R. Travis, Trustee of the Sylvia Bankoff Travis Grandchildren's Trust created by Trust Indenture dated April 4, 1979, and as Trustee of the Cissy R. Travis Revocable Living Trust	135 Coral Cay Dr.	Palm Beach Gardens	FL	33418	21	NW/4 SW/4
14	Elson Oil Company, a General Partnership	20 East 5th Street, Suite 1404	Tulsa	OK	74103	21	NW/4 SW/4
15	Frank Seeton	1815 Union Drive	Lakewood	CO	80215-2531	21	NW/4 SW/4
16	The Long Trusts, a Texas Trust	P. O. Box 3096	Kilgore	TX	75663	21	NW/4 SW/4
17	Tom R. Cone	P. O. Box 778	Jay	OK	74346-0778	21	NW/4 SW/4



Tansill, Yates, Seven Rivers Formations, Resler "B" No. 1 Well Offset Ownership List, T-23-S, R-37-E, NMMPM, Lea County, NM

18	Kenneth G. Cone, Individually, and as Trustee of the Trusts created u/w/o and Codicil of Kathleen Cone, Deceased, f/b/o the Children of Kenneth G. Cone	P. O. Box 11310	Midland	TX	79702	21	NW/4 SW/4
19	Cathie Cone McCown, Individually, and as Trustee of the Trusts the Auvenshine Children's Testamentary Trust created u/w/o and Codicil of Kathleen Cone, Deceased	P. O. Box 507	Dripping Springs	TX	78620-0507	21	NW/4 SW/4
20	Randy Lee Cone	P. O. Box 552	Jay	OK	74346-0552	21	NW/4 SW/4
21	Bank of Oklahoma, N.A., Successor Trustee of the Kathleen Cone Testamentary Trust f/b/o the Children of Tom R. Cone	P. O. Box 3499	Tulsa	OK	74101-3499	21	NW/4 SW/4
22	Clifford Cone	P. O. Drawer 1629	Lovington	NM	88260-1629	21	NW/4 SW/4
23	Black Stone Minerals Company, LP	P. O. Box 201709	Houston	TX	77216-1709	21	NW/4 SW/4
24	Dorothy Campbell, Trustee of the Robert B. Mitchell Trust	2323 South Voss, Suite 203	Houston	TX	77057	21	NW/4 SW/4
25	Mary Jon Bryan	P. O. Box 1358	Lindale	TX	75771-1358	21	NW/4 SW/4
26	Evans Oil and Gas, L.L.C.	3513 East Old Shakoppe Road	Blomington	MN	55425	21	NW/4 SW/4
27	Christopher Sheridan, Bradley C. Sheridan, Cornelius B. Sheridan & Olga Petuck, Trustees of the Sheridan Family Trust	2711 W. Calle De Dali	Tuscon	AZ	85745-1690	21	NW/4 SW/4
28	BMNW Resources, L.L.C.	P. O. Box 180573	Dallas	TX	75218	21	NW/4 SW/4
29	Stroube Energy Corporation	17194 Preston Road, No. 123, LB 249	Dallas	TX	75248	21	NW/4 SW/4

Tansill, Yates, Seven Rivers Formations, Resler "B" No. 1 Well Offset Ownership List, T-23-S, R-37-E, NMPPM, Lea County, NM

30	John E. McConnell, III	1318 Briar Bayou	Houston	TX	77077	21	NW/4 SW/4
31	Leila McConnell Gadbois	2525 Stanmore Drive	Houston	TX	79019	21	NW/4 SW/4
32	F. Bennett Watts	P. O. Box 231	Breckenridge	TX	76424	21	NW/4 SW/4
33	Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. & Opal Barton Revocable Trust	1919 North Turner Street	Hobbs	NM	88240-2712	21	NW/4 SW/4
34	Harry L. Jones, II & Linda B. Jones, Trustees of the Harry L. Jones, II, Trust dated August 10, 1995	2315 Candy Lane	Malabar	FL	32950	21	NW/4 SW/4
35	Normarth Corporation	52 Salem Ridge Drive	Huntington	NY	11743	21	NW/4 SW/4
36	Michael Gidwitz	208 South LaSalle Street, Suite 1705	Chicago	IL	60604	21	NW/4 SW/4
37	Marjo Operating Co., Inc.	P. O. Box 729	Tulsa	OK	74101-0729	21	NW/4 SW/4
38	BNW, Inc.	P. O. Box 892044	Oklahoma City	OK	73189-2044	21	NW/4 SW/4
39	Osprey Resources, Inc., a Texas Corporation	921 Main Street, Suite 1512	Houston	TX	77002	21	NW/4 SW/4
40	Max R. Chudy, Jr., Executor of the Estate of Max R. Chudy, Sr.	50 South Meadow Drive	Orchard Park	NY	14127	21	NW/4 SW/4
41	Lenox Partners	P. O. Box 3096	Mill River	MA	01244-0030	21	NW/4 SW/4
42	Estate of John L. Brady, c/o Martha H. Brady	5220 West Barry Avenue	Chicago	IL	60641-4936	21	NW/4 SW/4
43	Kirby Minerals, an Oklahoma General Partnership	P. O. Box 268947	Oklahoma City	OK	73125	21	NW/4 SW/4
44	Charles T. Gallaher, II	5080 Harmony Circle #103	Vero Beach	FL	32967	21	NW/4 SW/4
45	Joseph Wesley Gallaher, II	19008 Quail Valley Boulevard	Gaithersburg	MD	20879	21	NW/4 SW/4

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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jamesbruc@aol.com

April 23, 2004

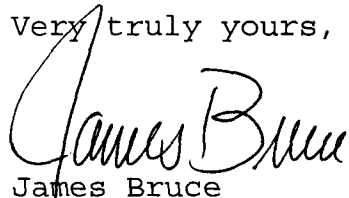
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Offset Interest Owners

Ladies and gentlemen:

Enclosed is a copy of an application for administrative approval of a non-standard gas proration unit, filed with the New Mexico Oil Conservation Division by Arch Petroleum Inc., regarding the Resler "B" Well No. 1 in the SE¼ of Section 20, 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 13, 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.



311 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

Oil Conservation Division
 2040 South Pacheco
 Santa Fe, NM 87505

Submit to appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address ARCH PETROLEUM, INC. P.O. BOX 10340 MIDLAND, TEXAS 79702-7340		OGRID Number 962
Property Code 33419		API Number 30- 025-36573
Property Name RESLER "B"-		Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	20	23S	37E		1980'	SOUTH	1980'	EAST	LEA CO.

Proposed 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

Proposed Pool 1 JALMAT-TANSIL-YATES-7RIVERS (OIL)	33820	Proposed Pool 2
------------------------------------------------------	-------	-----------------

Work Type Code N	Well Type Code O	Cable/Rotary ROTARY	Lease Type Code P	Ground Level Elevation 3307'
Multiple NO	Proposed Depth 3100'	Fracturing Tan, Yates, 7R	Contractor UNKNOWN	Spud Date WHEN APPROVED

Proposed Casing and Cement Program

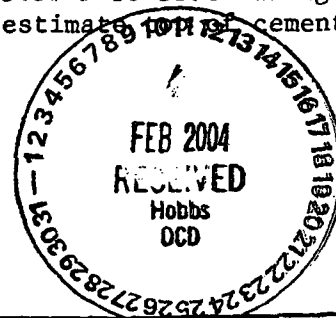
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
25"	20"	Conductor	40'	Redi-mix	Surface
12 1/2"	8 5/8"	24	1100'	650 Sx.	Surface
7 7/8"	5 1/2"	15.5	3100'	750 Sx.	500'±

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 12 1/2" hole to 1100'. Run and set 1100' of 8 5/8" 24# J-55 ST&C casing. Cement with 650 Sx. of Class "C" cement + additives, circulate cement to surface.
3. Drill 7 7/8" hole to 3100'. Run and set 3100' of 5 1/2" 15.5# J-55 ST&C casing. Cement with 750 Sx. of Class "C" cement + additives, estimate 500' from surface.

Permit Expires 1 Year From Approval
 Date Unless Drilling Underway



I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Joe T. Janica</i>		Approved by: <i>[Signature]</i>	
Printed name: Joe T. Janica		FILED 17 2004 PETROLEUM ENGINEER	
Title: Agent		Approval Date:	
Date: 02/11/04	Phone: 505-391-8503	Conditions of Approval:	
		Attached <input type="checkbox"/>	

DISTRICT I
P.O. Box 1988, Hobbs, NM 88241-1988

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36573	Pool Code 33820	Pool Name JALMAT-TANSIL-YATES-7RIVERS (OIL)
Property Code 33419	Property Name RESLER B	Well Number 1
OGRID No. 962	Operator Name ARCH PETROLEUM, INC.	Elevation 3307'

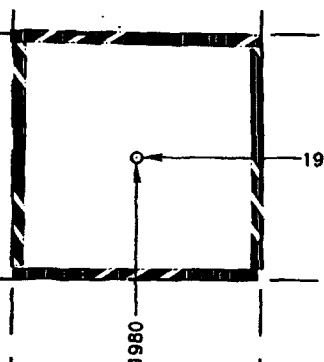
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	20	23-S	37-E		1980	SOUTH	1980	EAST	LEA

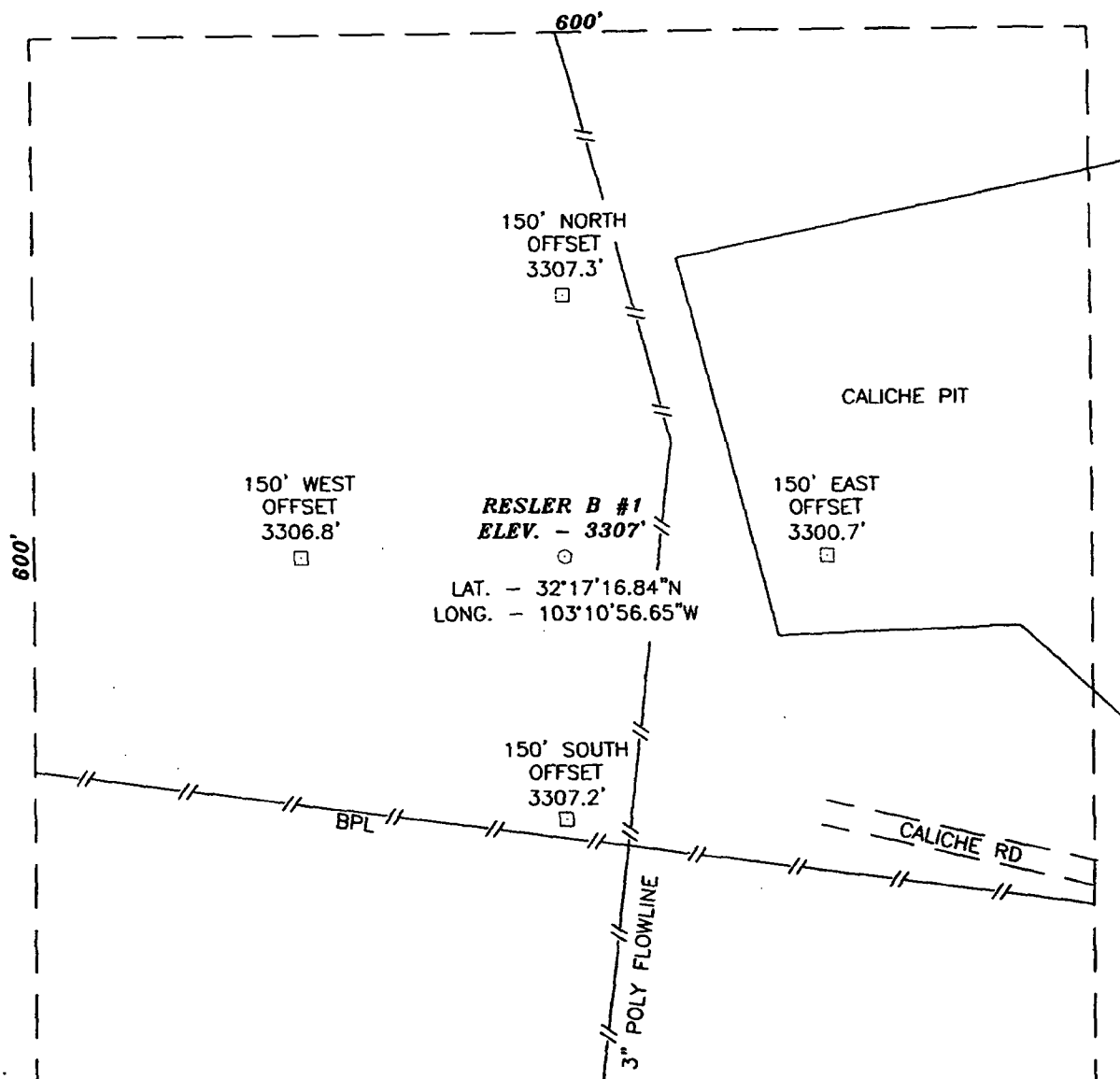
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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>GEODETIC COORDINATES NAD 27 NME Y = 470403.7 N X = 855672.7 E LAT. 32°17'16.84"N LONG. 103°10'56.65"W</p> 	<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>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 02/11/04 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>FEBRUARY 3, 2004</p> <p>Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor GARY EIDSON 04.11.0121 Certificate No. GARY EIDSON 12841</p>
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SECTION 20, TOWNSHIP 23 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF A CALICHE ROAD AND STATE HWY #18 AT MILE POST #21 GO EAST 0.5 MILES TURN RIGHT. GO SOUTH 0.2 MILES TO TEE INTERSECTION. TURN LEFT AND GO 0.1 MILES. TURN RIGHT AND GO SOUTH 0.6 MILES. TURN RIGHT AND GO 0.2 MILES TO AN OLD ABANDONED LOCATION AND THIS LOCATION.

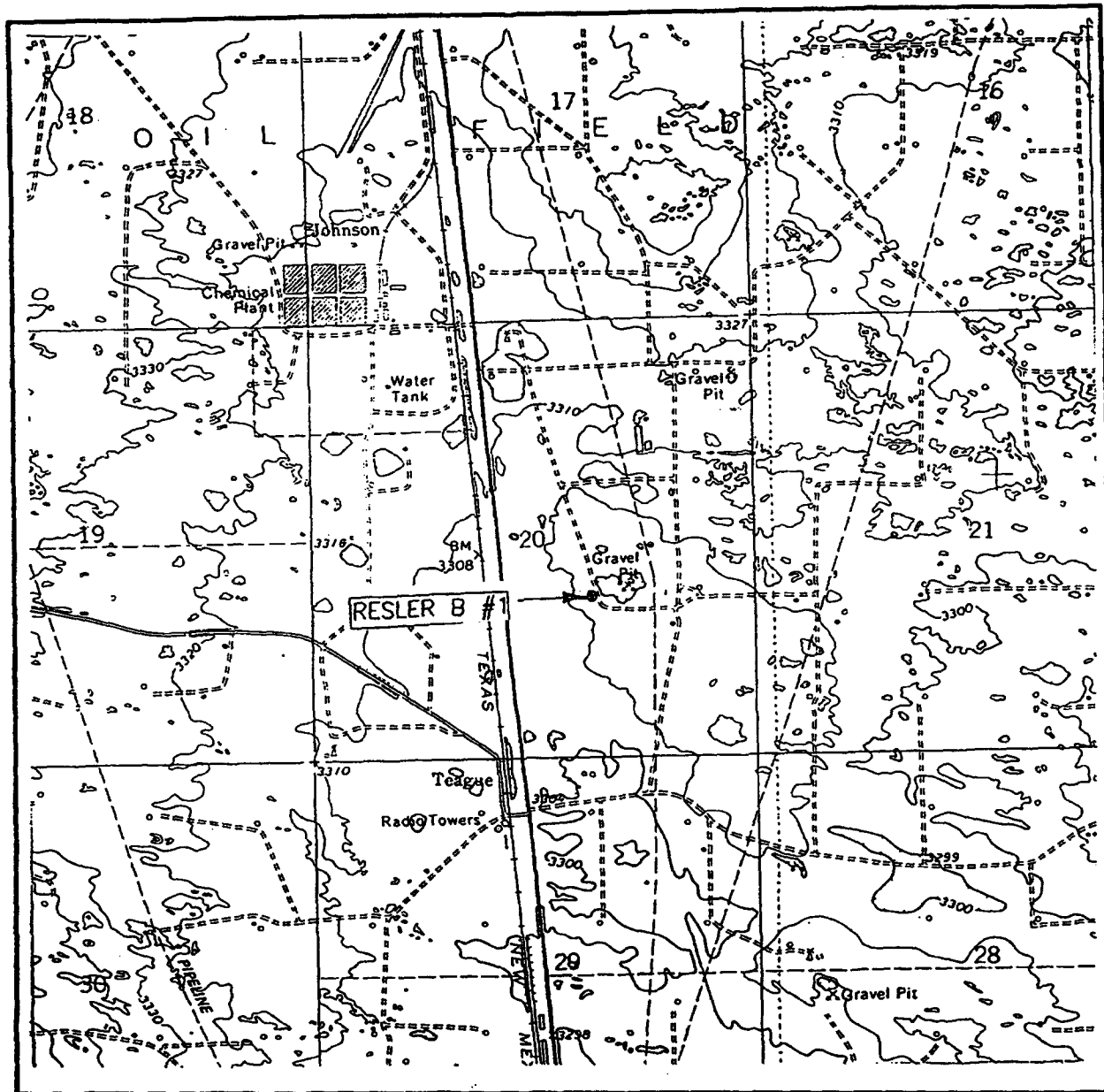
ARCH PETROLEUM, INC.

THE RESLER B #1 LOCATED 1980 FROM
THE SOUTH LINE AND 1980 FROM THE EAST LINE
SECTION 20, TOWNSHIP 23 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

JOHN WEST SURVEYING COMPANY
412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

Survey Date: 2/03/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0121	Drawn By: L.A.
Date: 2/05/04	DISK:CD#3
	04110121

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
RATTLESNAKE CANYON, N.M.

SEC. 20 TWP. 23-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 1980' FEL

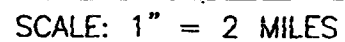
ELEVATION 3307'

OPERATOR ARCH PETROLEUM, INC.

LEASE RESLER B

U.S.G.S. TOPOGRAPHIC MAP
RATTLESNAKE CANYON, N.M.

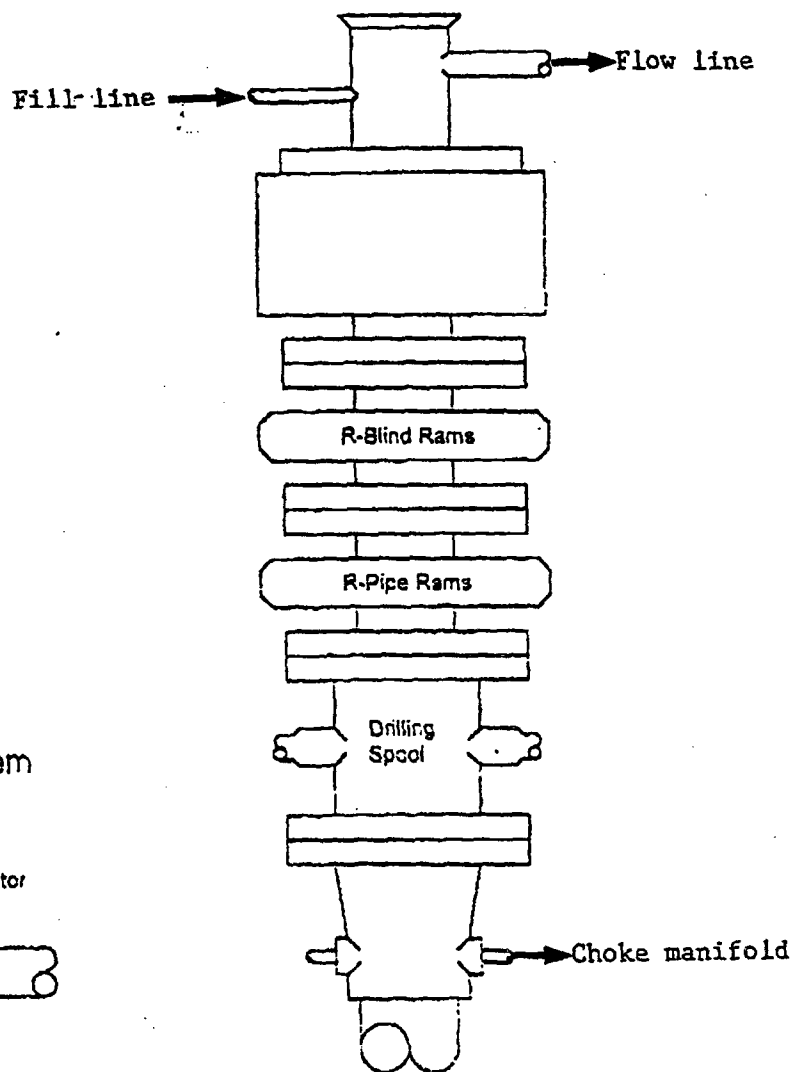
JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117



LEASE RESLER B

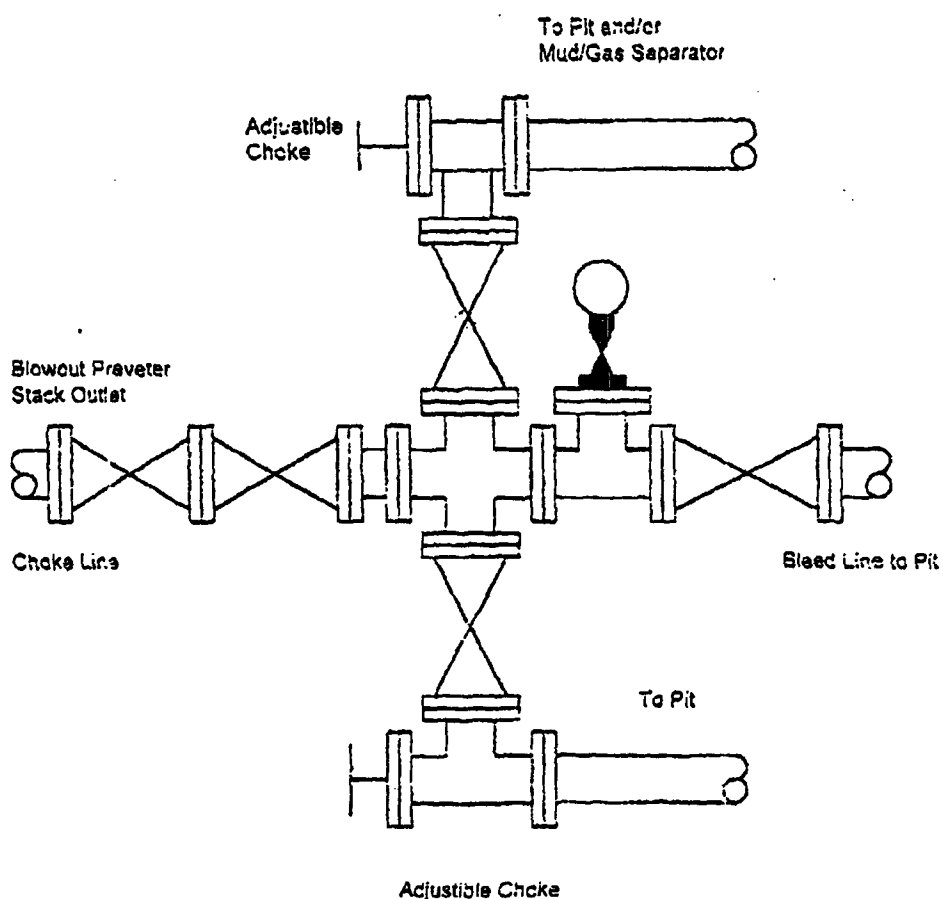
**JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117**

BLOWOUT PREVENTER SYSTEM



Type 900 Series
3000 psi WP

Choke Manifold Assembly for 3M WP System



04-28-04 DATE IN	05-18-04 SUSPENSE	MES ENGINEER	SEM LOGGED IN	NSP TYPE	PSEM 0412035028 APP NO.
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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

James Bruce
 Signature

Attorney for Applicant

Title

jamesbruc@aol.com
 e-mail Address

4/28/04
 Date

RECEIVED
 APR 28 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 28, 2004

Hand Delivered

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

Dear Mr. Stogner:

Pursuant to Division Order No. R-8170-P, Westbrook Oil Corporation applies for a 160 acre non-standard gas spacing and proration unit in the Jalmat Gas Pool for the following well:

Well: Steeler "A" Well No. 1 *30-025-10805*
Location: 1980 feet FSL & 660 feet FWL
Well Unit: SW $\frac{1}{4}$ S20, Township 23 South, Range 37 East,
NMPM, Lea County, New Mexico *79240*

The well was completed in the Jalmat Gas Pool in 1956, and the S $\frac{1}{2}$ of Section 20 was dedicated to the well. See Exhibit A. (A standard well unit in the Jalmat Gas Pool is 640 acres.)

A well unit comprised of the SE $\frac{1}{4}$ of Section 20 is being formed by Arch Petroleum Inc., and Applicant proposes to re-form its well unit to cover only the SW $\frac{1}{4}$ of Section 20.

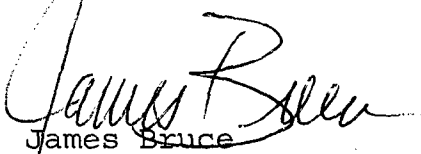
Exhibit B is a land plat. The offset operators to the SW $\frac{1}{4}$ of Section 20 are as follows:

N $\frac{1}{2}$ S20:	Fulfer Oil & Gas Company
SE $\frac{1}{4}$ S20:	Arch Petroleum Inc.
E $\frac{1}{2}$ NE $\frac{1}{4}$ S29:	Arch Petroleum Inc.
W $\frac{1}{2}$ NE $\frac{1}{4}$ & NW $\frac{1}{4}$ S29:	ChevronTexaco Exploration & Production Company
E $\frac{1}{2}$ S19:	BP America Production Company
N $\frac{1}{2}$ S30:	BP America Production Company

Pursuant to Order No. R-8170-P, all offsets have been notified of this application. A copy of the notice letter is attached hereto as Exhibit C.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name "James Bruce".

James Bruce

On behalf of Westbrook Oil Corporation

NEW MEXICO OIL CONSERVATION COMMISSION

~~Well Location and~~ Acreage Dedication Plat

Section A.

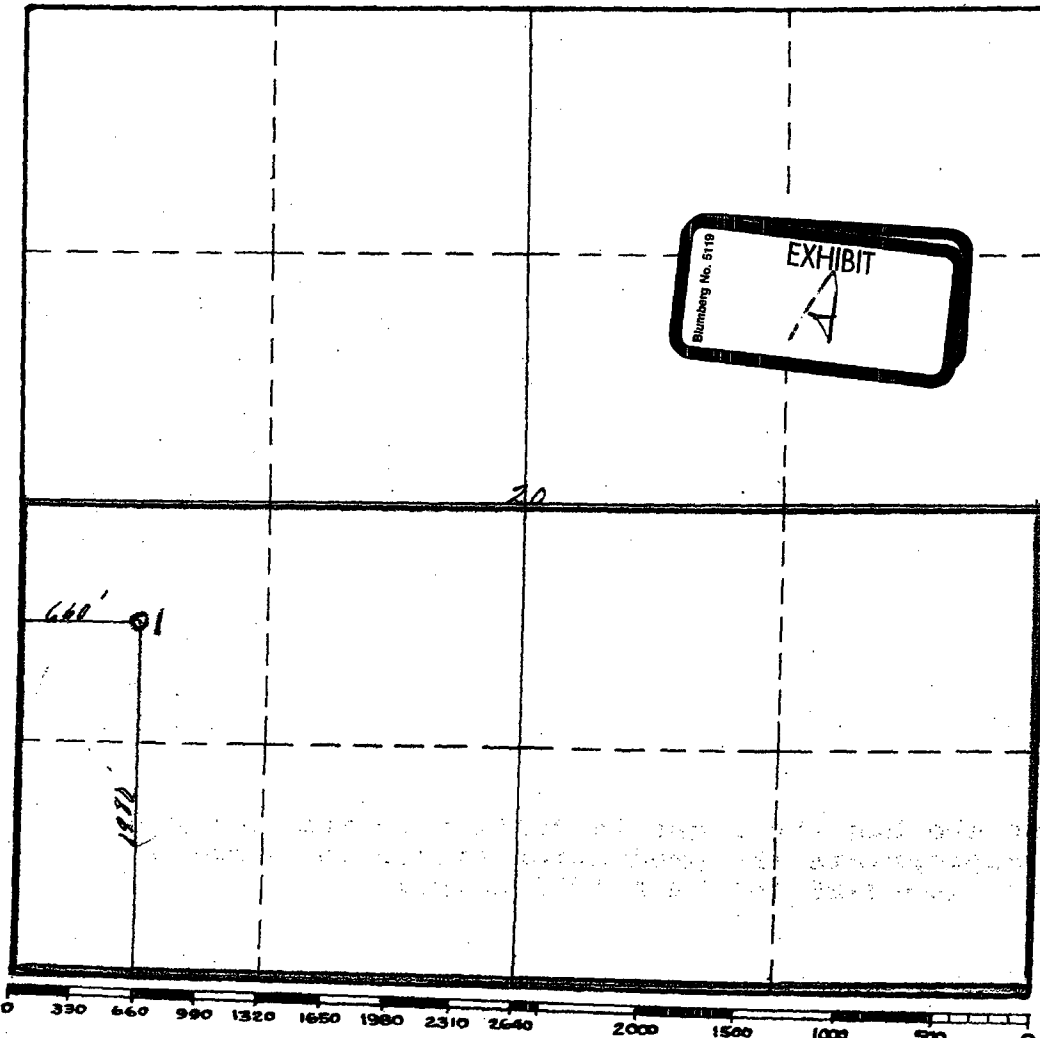
Operator Resler & Sheldon Lease Steeler "A"
Well No. L Unit Letter L Section 20 Township 23 South Range 37 East NMPM
Located 1980 Feet From South Line, 660 Feet From West Line
County Lea G. L. Elevation 3320 Dedicated Acreage 320 Acres
Name of Producing Formation Yates Pool Jalmat

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes _____ No x.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes x No _____. If answer is "yes," Type of Consolidation Operating Agreements
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

RESLER & SHELDON

(Operator)

Vilas P. Sheldon
(Representative)

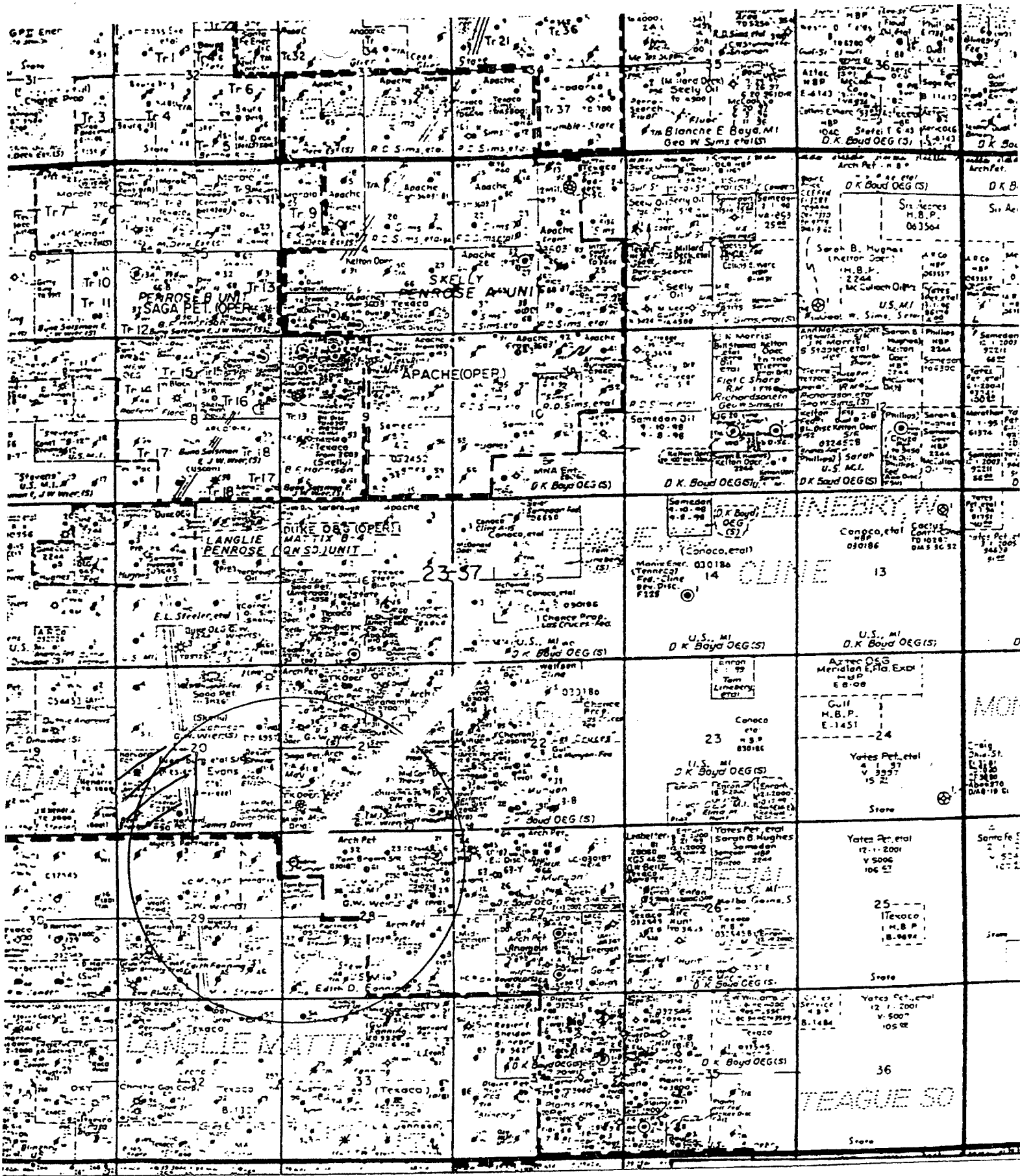
302 Carper Bldg., Artesia, New
Address

This is to certify that the well location shown on the plat in Section B 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 _____

Vilas P. Sheldon
Registered Professional
Engineer and/or Land Surveyor

Certificate No. 963



Blumberg No. 5119
EXHIBIT
B

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)

jamesbruce@aol.com

April 28, 2004

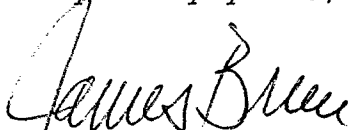
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for administrative approval of a non-standard gas proration unit, filed with the New Mexico Oil Conservation Division by Westbrook Oil Corporation, regarding the SW¼ of Section 20, 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 Tuesday, May 18, 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

On behalf of Westbrook Oil Corporation

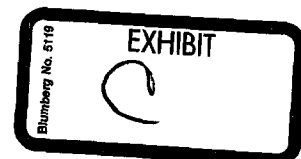


EXHIBIT A

Fulfer Oil & Gas Company
P.O. Box 578
Jal, NM 88252

ChevronTexaco
15 Smith Road
Midland, TX 79705

BP America Production Company
P.O. Box 3092
Houston, Texas 77253

Arch Petroleum Inc.
P.O. Box 10340
Midland, Texas 79702

Attention: Thomas R. Land

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*Ported
RS*

March 31, 1938

C
O
P
Y

Vilas P. Sheldon
Carper Building
Artesia, New Mexico

Attention: Mr. Vilas P. Sheldon

Administrative Order NSP-420

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

Township 23 South, Range 37 East, NMPM
Section 20: 5/2

It is understood that this unit is to be dedicated to your Steeler Well No. 1 located 1980 feet from the South line and 660 feet from the West line of said Section 20.

By authority granted me under provisions of Rule 5 (b), of the Special Rules and Regulations for the Jalmat Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with the pool rules, based upon the unit size of 320 acres.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/OEP/og

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs

Stogner, Michael

From: J.E. Gallegos [jeg@spinn.net]
Sent: Tuesday, March 30, 2004 9:54 AM
To: Stogner, Michael
Cc: GFulfer@aol.com
Subject: Arch Petroleum

Michael

Our client Fulfer Oil & Cattle Co has Jalmat production in N2 of Section 20, 23S,37E. Arch Petroleum has completed offsetting wells on close spacing identified as Langlie Mattix production but apparently actually opened to the Jalmat intervals. We anticipate that Arch will be submitting admn apps for simultaneous dedication as Jalmat wells. Chris Williams as ordered some of the wells shut-in.

Please let me know if you receive anything from Arch on this matter so that Fulfer can take appropriate action. Thanks.

Gene

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

4/23/2004