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August 21, 2003

**RECEIVED**

AUG 21 2003

Oil Conservation Division

Hand Delivered

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

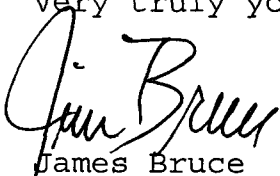
*Case 13151*

Dear Florene:

Enclosed for filing are an original and one copy of two applications for lease commingling, together with proposed advertisements, filed on behalf of Arch Petroleum Inc. Please set these matters for the September 18, 2003 Examiner hearing. Thank you.

The advertisements are also on the enclosed disk.

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ARCH PETROLEUM INC.  
FOR APPROVAL OF LEASE COMMINGLING,  
LEA COUNTY, NEW MEXICO.

Case No. 13151

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APPLICATION

Arch Petroleum Inc. applies for an order granting an exception to Division Rule 303.A, and in support thereof, states:

1. Applicant is the operator of the fee leases and lands described below:

<u>Lease</u>	<u>Lands</u>
E.C. Hill "A" Lease	W $\frac{1}{2}$ SE $\frac{1}{4}$ S27-23S-37E
E.C. Hill "B" Lease	E $\frac{1}{2}$ SW $\frac{1}{4}$ S27-23S-37E
E.C. Hill "C" Lease	W $\frac{1}{2}$ SW $\frac{1}{4}$ S27-23S-37E

2. Applicant proposes to commingle Teague (Simpson) Pool production from the four wells described below into the existing tank battery for the E.C. Hill "A" Well No. 7, located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 27, without separately metering production, by allocating production to each well and to each lease on the basis of monthly well tests:

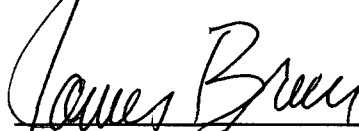
<u>Well</u>	<u>Location</u>
E.C. Hill "A" No. 7	SW $\frac{1}{4}$ SE $\frac{1}{4}$ S27-23S-37E
E.C. Hill "B" No. 1	NE $\frac{1}{4}$ SW $\frac{1}{4}$ S27-23S-37E
E.C. Hill "B" No. 7	SE $\frac{1}{4}$ SW $\frac{1}{4}$ S27-23S-37E
E.C. Hill "C" No. 3	NW $\frac{1}{4}$ SW $\frac{1}{4}$ S27-23S-37E

3. Interest ownership differs in the three leases, and notice of this application has been given to all interest owners as required by Division rules.

4. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing,  
the Division enter its order granting the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Arch Petroleum Inc.