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October 22, 2002

Case 12958

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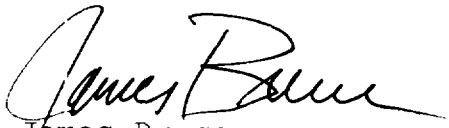
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and one copy of an application for an unorthodox location, together with a proposed advertisement, filed on behalf of Arch Petroleum Inc. Please set this matter for the November 14, 2002 Examiner hearing.

The advertisement is also on the enclosed disk under "ARCH."

Very truly yours,


James Bruce
Attorney for Arch Petroleum Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ARCH PETROLEUM
INC. FOR AN UNORTHODOX OIL WELL
LOCATION AND A NON-STANDARD OIL
SPACING AND PRORATION UNIT, LEA
COUNTY, NEW MEXICO.

No. 12958

APPLICATION

Arch Petroleum Inc. applies for an order approving an unorthodox oil well location and a non-standard oil spacing and proration unit, and in support thereof, states:

1. Applicant is the operator of Lot 4 and the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of irregular Section 28, Township 24 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and has the right to drill a well thereon.

2. Applicant proposes to directionally drill its Ramsay Fed. Com. Well No. 1 to a depth sufficient to test the Devonian formation. The well's surface location will be 480 feet from the south line and 235 feet from the east line of Section 28. The well's bottom hole location will be 330 feet from the south line and 10 feet from the east line of Section 28.

3. The Devonian formation (Dollarhide-Devonian Pool) is spaced on 40 acres under regulations of the Division. Lot 4 and the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 28 will be dedicated to the well, forming a non-standard 47.20 acre oil spacing and proration unit. The Commission previously approved a non-standard unit for this acreage by Order No. R-281. However, in the event this approval is no longer in effect, applicant requests approval of the non-standard unit.

4. Approval of the unorthodox oil well location and non-standard unit will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order approving the above-described unorthodox oil well location and non-standard oil spacing and proration unit.

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.

PROPOSED ADVERTISEMENT

Case 12958: Application of Arch Petroleum Inc. for an unorthodox oil well location and a non-standard oil spacing and proration unit, Lea County, New Mexico. Applicant seeks approval to directionally drill its proposed Ramsay Fed. Com. Well No. 1 from a surface location 480 feet from the south line and 235 feet from the east line, to a bottom hole location 330 feet from the south line and 10 feet from the east line, of Section 28, Township 24 South, Range 38 East, NMPM. Lot 4 and the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 28 will be dedicated to the well to form a non-standard 47.20-acre oil spacing and proration unit in the Dollarhide-Devonian Pool. The unit is located approximately 9 miles northeast of Jal, New Mexico.

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