



3118

RECEIVED

MAY 10 2001

Arch Petroleum Inc.

VIA REGULAR MAIL

May 8, 2001

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

RE: NMOCD CASE NO. 3118
SOUTH PENROSE SKELLY UNIT TERMINATION
STEBBINS PROSPECT
Lea County, New Mexico
Curative Title Requirement No. 1 (g) Termination Notice
D. C. Henson Well No. 1, 2,097' FNL and 1,750' FEL of
Sec. 5, T-22-S, R-37-E, N.M.P.M., Arch Lse. No. L737.002

Dear Ms. Davidson:

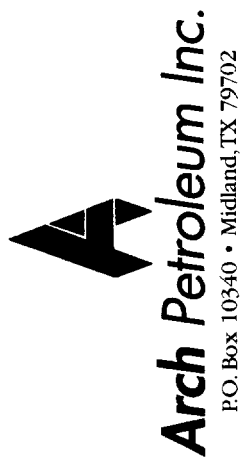
Arch Petroleum Inc. completed the captioned oil well on January 7, 2001 as a commercially producing well. Prior to disbursement of revenues, Arch's title attorney requested that Arch obtain a letter from the New Mexico Oil Conservation Division confirming that the South Penrose Skelly Unit has terminated.

Please forward a copy of the requested unit termination letter to my attention in the provided self addressed envelope. Should you have any questions contact me at telephone number (915) 685-8126. Your time and attention to this matter is appreciated.

Sincerely,

ARCH PETROLEUM INC.

Thomas R. Land, C. P. L.
Consulting Landman



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Arch Petroleum, Inc.
P. O. Box 10340
Midland, Texas 79702-7340
Attention: Thomas R. Land