

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
March 4, 2004

Oil Conservation Division
1220 South St. Francis Dr.
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

| | | |
|--|--|--|
| ¹ Operator Name and Address Arch Petroleum Inc. P. O. Box 10340, Midland, TX 79702-7340 | | ² OGRID Number 000962 |
| | | ³ API Number 30 - 25-25355 |
| ⁵ Property Code 14918 | ³ Property Name Lee Stebbins NCT A | ⁶ Well No. 4 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 5 | 22S | 37E | | 1830 | North | 660 | West | Lea |

⁸ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

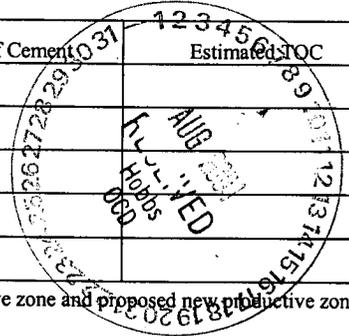
| | |
|--|-------------------------------|
| ⁹ Proposed Pool 1 Eumont Yates Seven Rivers Queen(22800) | ¹⁰ Proposed Pool 2 |
|--|-------------------------------|

Drilling Pit Location and Other Information

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------------------------|---------|-----------------------------------|-------|---|---------------|------------------------------------|-------------------------------------|---|--------|
| Depth to ground water | | | | Distance from nearest fresh water well | | | Distance from nearest surface water | | |
| ¹¹ Work Type Code P | | ¹² Well Type Code 0 | | ¹³ Cable/Rotary | | ¹⁴ Lease Type Code P | | ¹⁵ Ground Level Elevation 3440' | |
| ¹⁶ Multiple No | | ¹⁷ Proposed Depth | | ¹⁸ Formation Yates 7 Rvrs Q | | ¹⁹ Contractor | | ²⁰ Spud Date When approved | |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
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²² 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.

SEE ATTACHED.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Signature: *Cathy Wright*
Printed name: Cathy Wright
Title: Sr. Operation Tech
E-mail Address: wrightc@pogoproducting.com

| | |
|--|-----------------------------------|
| OIL CONSERVATION DIVISION | |
| Approved by: <i>Paul J. [Signature]</i> | |
| Title: PETROLEUM ENGINEER | Approval Date: AUG 18 2004 |
| Expiration Date: | |
| Conditions of Approval: Attached <input type="checkbox"/> | |

Date: 08/05/04
Phone: 432-685-8100

Arch Petroleum Inc.
Lee Stebbins NCT A #4
30-025-25355
E/5/22S/37E
Lea County, NM

Arch Petroleum Inc. respectfully request permission to plugback from the Tubb and re-complete to the Eumont Yates 7 Rvrs Queen field using the following procedure:

1. Set CIBP @ $\pm 6140'$.
2. Perf Eumont 3506'-3622' (OA).
3. Acdz & frac.
4. RIH & set RBP @ $\pm 3475'$.
5. Perf Eumont 3155-3423 (OA).
6. Acdz & frac.
7. Set RBP @ $\pm 3100'$.
8. Perf Eumont 2625-2963 (OA).
9. Acdz & frac.
10. Combine Eumont zones and turn well over to production.

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State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised June 10, 2003
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-025-25355 | ² Pool Code 22800 | ³ Pool Name Eumont Yates Seven Rivers Queen |
| ⁴ Property Code 14918 | ⁵ Property Name Lee Stebbins NCT A | |
| ⁷ OGRID No. 000962 | ⁸ Operator Name Arch Petroleum Inc. | ⁶ Well Number 4 |
| | | ⁹ Elevation 3440' |

¹⁰ Surface Location

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| | | | | | | | | | |

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|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 40 | 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

| | |
|--|---|
| <div style="border: 1px solid black; padding: 5px;"> ¹⁶ </div> | <p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center;"><i>Cathy Wright</i> Signature</p> <p>Cathy Wright Printed Name</p> <p>Sr. Operation Tech Title and E-mail Address</p> <p>08/05/04 Date</p> <hr/> <p>¹⁸ SURVEYOR CERTIFICATION <i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <hr/> <p>Certificate Number</p> |
|--|---|