



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 23, 1999

**Arch Petroleum Inc.
P. O. Box 10340
Midland, Texas 79702
Attention: Garland H. Lange III**

Administrative Order NSP-352-B

Dear Mr. Lange:

Reference is made to the following: (i) your application dated October 13, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Arch Petroleum Inc.'s ("Arch") request to reactivate a previously approved 80.08-acre non-standard gas spacing and proration unit in the Tubb Oil and Gas Pool ("GPU") comprising the following acreage and to exchange the well dedication of this GPU:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: Lots 1 and 2 (N/2 NE/4 equivalent).

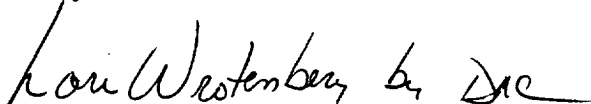
This GPU was approved by and the subject to: (i) Division Administrative Order NSP-352, dated February 22, 1957; (ii) Division Administrative Order NSP-352-A (L) dated April 4, 1995; and (iii) a reconfirmation order by letter dated December 26, 1996. This GPU, from its inception, has been dedicated to Arch's Lee Stebbins (NCT-B) Well No. 3 (API No. 30-025-10061), located at an unorthodox gas well location 660 feet from the North line and 460 feet from the East line (Lot 1/Unit A) of Section 5. It is our understanding that the above-described Lee Stebbins (NCT-B) Well No. 3 is temporarily abandoned and that Arch is planning to recomplete its existing Lee Stebbins (NCT-B) Well No. 4 (API No. 30-025-10062), located at a standard gas well location for this GPU 660 feet from the North line and 1780 feet from the East line (Lot 2/Unit B) of Section 5 from the Drinkard Pool to the Tubb gas producing interval.

By authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the above-described 80.08-acre GPU, to be dedicated to Arch's above-described Lee Stebbins (NCT-B) Well No. 4, is hereby approved. Also, Arch is hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of the pool rules based upon a unit size of 80.08 acres.

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It is further ordered that Division Administrative Orders NSP-352 and NSP-352-A (L) shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
File: NSP-352
NSP-352-A (L)