

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

December 6, 1995

Arch Petroleum Inc.
ATT: Bobbie Brooks
10 Desta Drive
Suite 420E
Midland, TX 79705

RE: RECLASSIFICATION OF WELL
Higgins, #1-J
Sec. 29-T22S-R38E
Tubb Oil & Gas Pool

Gentlemen:

According to the recently submitted scheduled Gas-Oil-Ratio Test the above referenced well will be reclassified from an oil well to a gas well in the Tubb Oil & Gas Pool effective January 1, 1996.

If for some reason you feel this test does not reflect the proper classification of this well, please submit another test for our consideration by December 20, 1995.

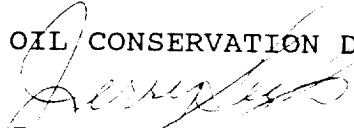
If the well is to be reclassified to a gas well, please submit the following:

- 1.) Revised Form C-102 outlining acreage to be dedicated to gas proration unit. If proration unit size or well location requires additional approval, please furnish order number approving same or copy of your application for approval of NSP and/or NSL.
- 2.) Form C-104 showing reclassification from oil to gas and designating change of transporters of condensate and dry gas.

If you have questions concerning the above, please contact Nelda Morgan at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

JS:nm

Submit 2 copies to Appropriate
District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator		Pool		County												
ARCH PETROLEUM INC.		TUBB OIL AND GAS (OIL)		LEA												
Address				Type of Test - (X)												
10 DESTIA DRIVE, STE. 420E, MIDLAND, TX 79705				Scheduled <input checked="" type="checkbox"/> Special <input type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBQ. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.		
		U	S	T							R	WATER BBL.S.	GRAV. OIL		OL. BBL.S.	GAS M.C.F.
HIGGINS <i>Redwood Blvd</i>	1	J	29	22	38	10/9/95	P	-	45	M	24	3	35.7	2	125	625000
NANCY STEPHENS	1	D	24	21	37	11/13/95	P	-	20	M	24	1	41.7	4	69	17450
NANCY STEPHENS	4	F	24	21	37	10/23/95	P	-	30	M	24	2	41.7	8	29	3625

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature *Bobbie Brooks*

BOBBIE BROOKS PRODUCTION ANALYST

Printed name and title

Date 11/28/95 Telephone No. 915-685-1961