



October 19, 1998

Application for Administrative Approval
Of Unorthodox Well Location
C. E. Lamunyon Lease, Well #66
Lea County, New Mexico

Lori Wrotenberry
Oil Conservation Division
Department of Energy Minerals & Natural Resources
1040 South Pacheco Street
Santa Fe, New Mexico 87505

Arch Petroleum Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996 of the unorthodox well location listed below.

The C. E. Lamunyon #66 is located 1300' FNL and 2520' FWL of Section 27, T23S, R37E, Unit C in Lea County, New Mexico. This well does encroach in immediately adjacent existing spacing units in the same pool. These adjacent spacing units are in the same lease and are operated by Arch in all cases. Therefore, there are no affected parties to whom notice is required. Exhibit E shows the location of all offsetting Operators.

Exhibit A is a lease Base Map showing the wells previously drilled pursuant to various OCD NSL Orders. We are currently monitoring the results for the ultimate recovery per well.

This unorthodox location in the Blinebry formation is necessary for geological reasons. Exhibit B is a porosity isopach map of the Blinebry. It shows the areal extent of the porosity development in the field. This development is made up of thin porosity stringers that are very discontinuous between wellbores. This discontinuity coupled with the low average porosity of five to eight percent and low average permeability of 0.5 millidarcies causes low ultimate recoveries and inadequate drainage of the field based on current 40-acre locations.

Exhibit C is a Drainage Map showing the areas estimated to be drained by the existing wells in the Blinebry. The drainage areas shown were calculated and are listed on Exhibit D. The parameters used to make these calculations are also shown. On average, it is seen that the existing wells are expected to drain approximately 13 acres per well. It is therefore necessary to drill the subject well to avoid waste and efficiently recover the available reserves.

You attention to this request is appreciated.

Sincerely,

Robin S. McCarley
Technical Administrator

Cc: Chris Williams, District Supervisor
Oil Conservation Division - Hobbs

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34254	Pool Code 58300	Pool Name Teague Paddock Blinebry
Property Code 014898	Property Name C.E. LAMUNYON	Well Number 66
OGRID No. 000962	Operator Name ARCH PETROLEUM, INC.	Elevation 3281

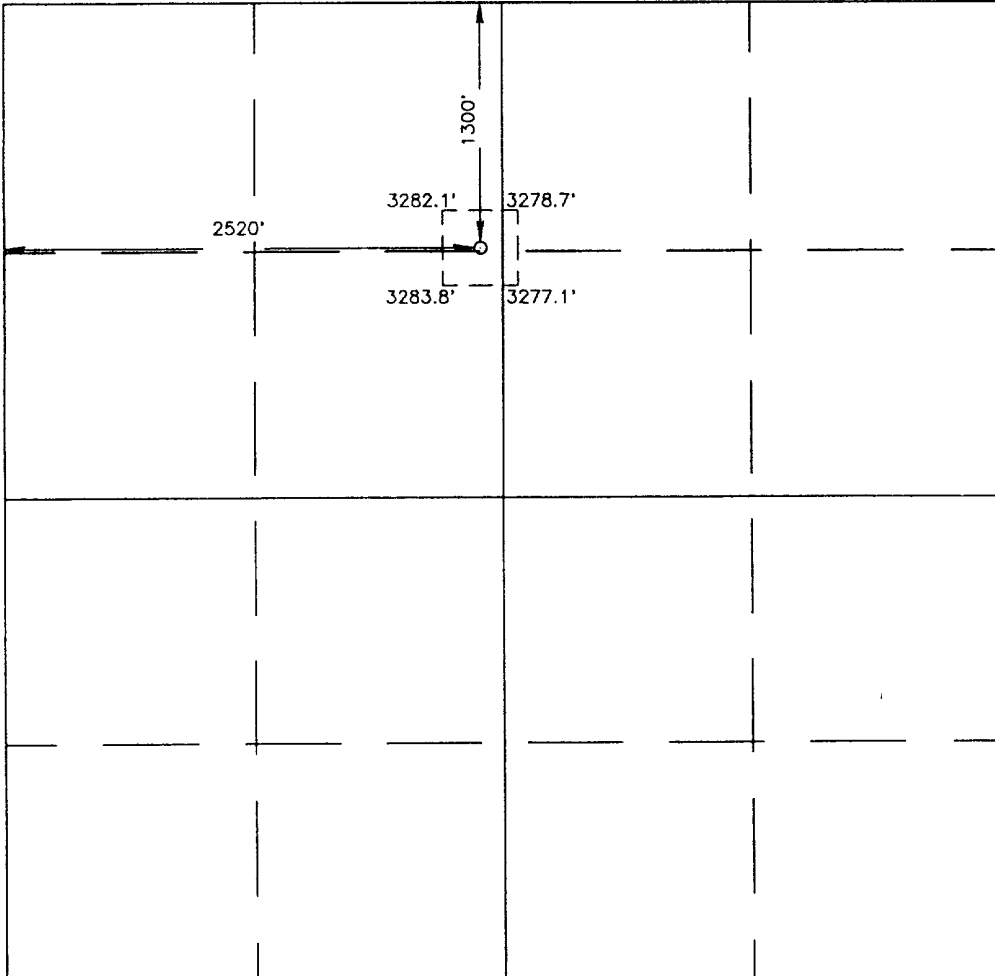
Surface Location

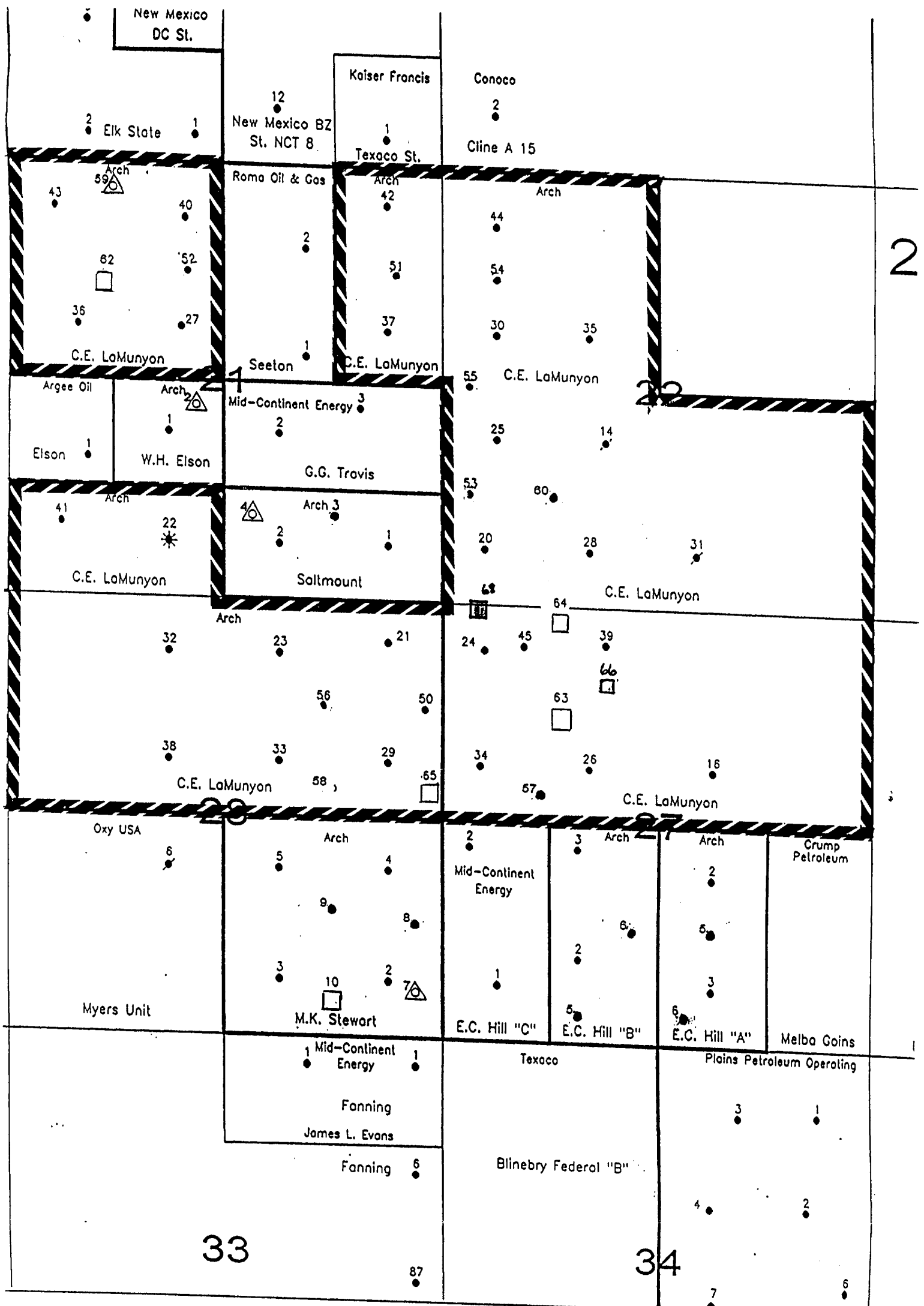
UL or lot No. C	Section 27	Township 23 S	Range 37 E	Lot Idn	Feet from the 1300	North/South line NORTH	Feet from the 2520	East/West line WEST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	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

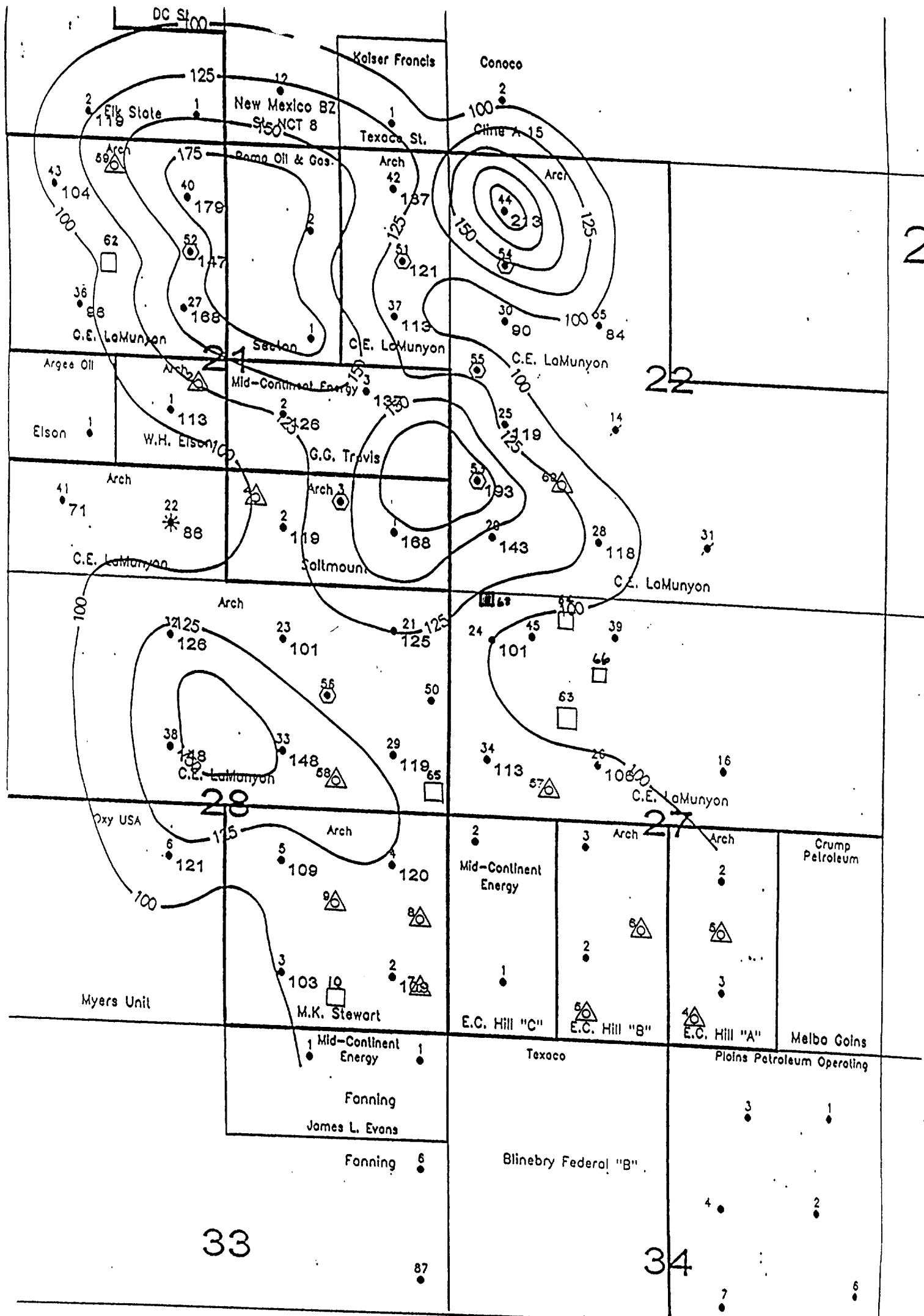
	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Robin S. McCarley</i> Signature Robin S. McCarley Printed Name Tech. Administrator Title 10/19/98 Date SEPTEMBER 26, 1997 Date Surveyed DMCC Signature & Seal of Professional Surveyor <i>Ronald F. Eidson</i> 9-30-97 37-11-1489 Certificate No. JOHN W. WEST 676 RONALD F. EIDSON 3239 EDSON 12641
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LEGEND

- Phase 3 Infill Wells
- △ Phase 2 Infill Wells
- Blinebry Producer

Exhibit No. A



LEGEND

Exhibit No. B

- Phase 1 Infill Wells
- △ Proposed Phase 2 Infill Wells
- Blincbry Producer

Exhibit No. C

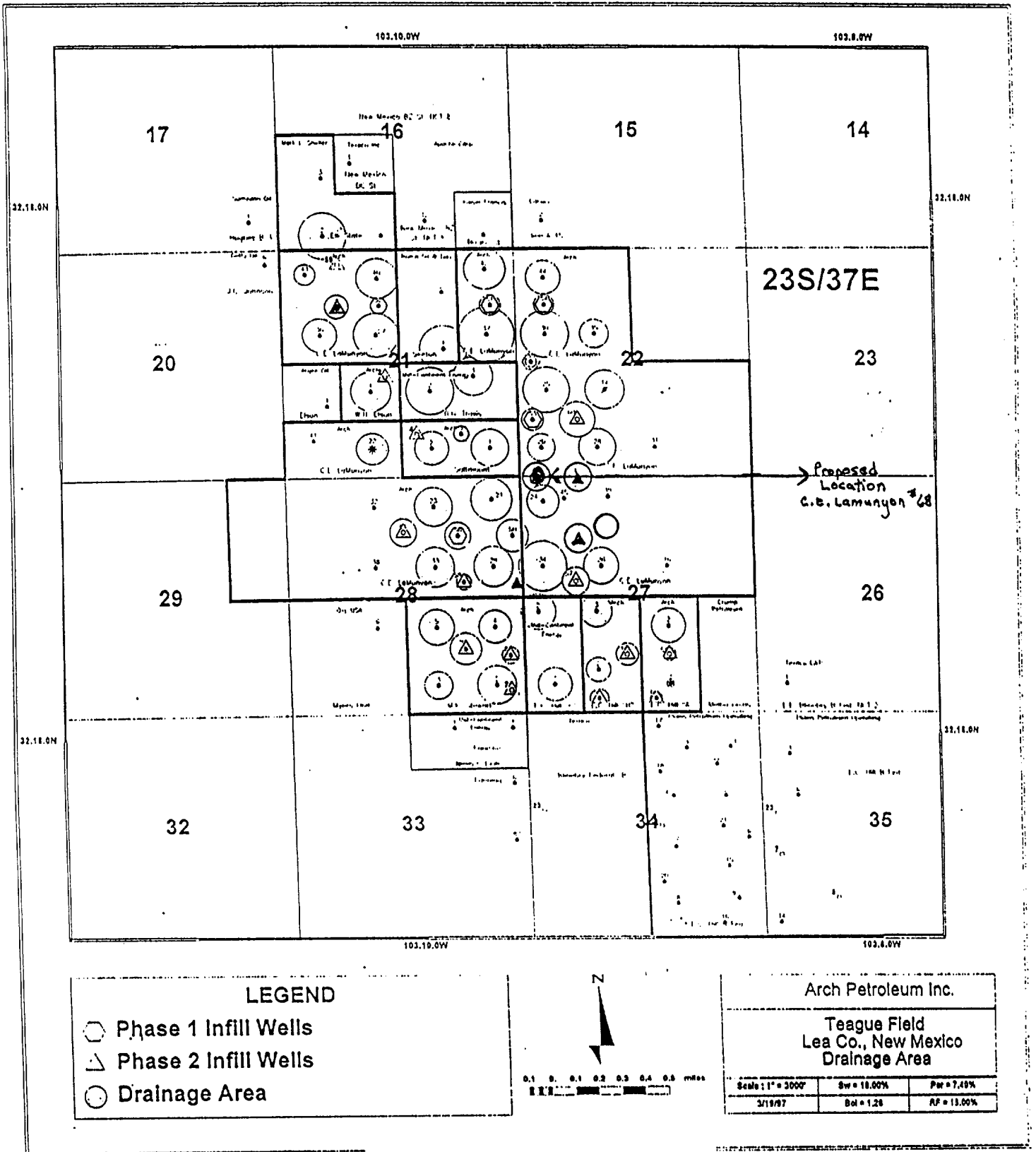
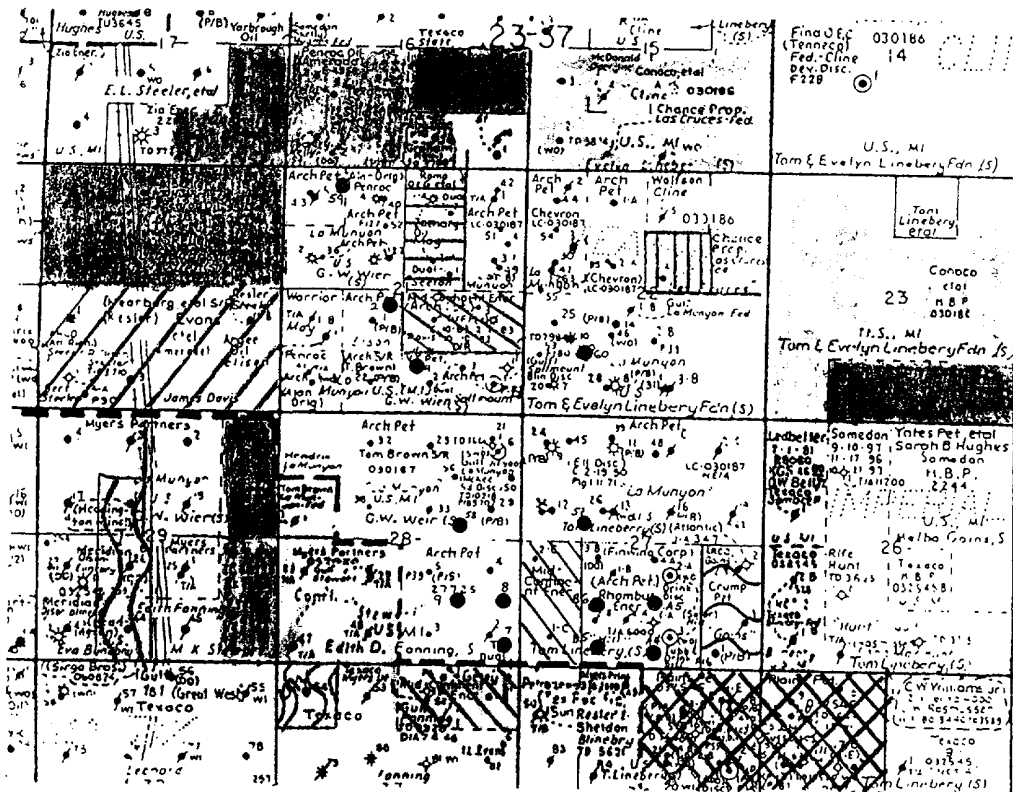


Exhibit No. C

MAP of Offset Operators

-  Conoco Inc.
-  Apache Corp
-  Mark L. Shidler
-  Texaco Expl + Prod Inc.
-  Samedan Oil Corp
-  Penroc Oil Corp
-  James L Evans
-  Roma Oil + Gas Co.
-  MidContinent Energy Inc.

R 37 E



T
23
S

-  Mirage Energy Inc.
-  Crump Petroleum Corp
-  Plains Petroleum
-  John H. Hendrix Corp
-  OXY USA Inc

Midland Map Co.

Lease Map

Posted to 2-2-96

Lea, NM

Scale: 1" = 4000'

Lease - well**Net Pay Ft.****Drainage Acres****Drainage Radius Ft.**

C. E. Lamunyon #51	121	4.10	239
C. E. Lamunyon #52	147	2.59	190
C. E. Lamunyon #53	193	4.57	252
C. E. Lamunyon #54	155	3.94	234
C. E. Lamunyon #55	193	1.21	130
C. E. Lamunyon #56	112	6.47	300
C. E. Lamunyon #57	139	6.85	308
C. E. Lamunyon #58	77	2.23	176
C. E. Lamunyon #60	100	11.97	407
C. E. Lamunyon #61	72	6.74	306
C. E. Lamunyon #62	145	2.6	192
C. E. Lamunyon #63	133	3.35	215
C. E. Lamunyon #64	113	6.5	301
C. E. Lamunyon #65	132	3.4	305

Sw	18%
Por	7.40%
Bol	1.26
RF	15%

Exhibit No. D