



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 17, 1997

Arch Petroleum, Inc.
10 Desta Drive - Suite 420 East
Midland, Texas 79705
Attention: Robin S. McCarley

Approved

Administrative Order NSL-3904(SD)

Dear Ms. McCarley:

Reference is made to your application dated November 14, 1997 for an unorthodox "infill" oil well location in an existing 40-acre standard oil spacing and proration unit for the Teague-Paddock-Blincy Pool comprising the NW/4 NW/4 (Unit D) of Section 27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Said 40-acre unit is currently simultaneously dedicated to the C. E. Lamunyon Well No. 24 (API No. 30-025-22415), located at a standard oil well location 560 feet from the North line and 510 feet from the West line of said Section 27, and to the C. E. Lamunyon Well No. 45 (API No. 30-025-25919), located at a standard oil well location 500 feet from the North line and 990 feet from the West line of said Section 27.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within Arch's C. E. Lamunyon lease (comprising portions of Sections 21, 22, 27, and 28, all in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico) to adequately drain reserves within the productive interval that might not otherwise be produced and to provide for a more efficient production pattern within the Teague-Paddock-Blincy Pool.

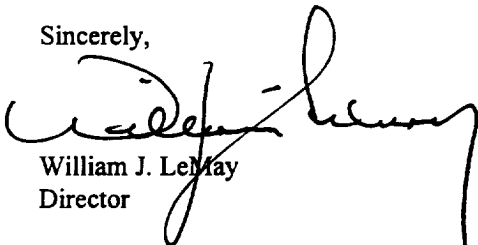
The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of Division General Rule 104.F(2), the following described well to be drilled at an unorthodox infill oil well location in said Section 27 is hereby approved:

**C. E. Lamunyon Well No. 68
10' FNL & 330' FWL**

Further, Teague-Paddock-Blincy Pool oil production from the C. E. Lamunyon Well Nos. 24, 45, and 68 are to be simultaneously dedicated to the subject 40-acre tract.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad