

NEW N EXICO ENERGY, ME ERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury **Cabinet Secretary**

August 15, 2000

Lori Wrotenbery Director **Oil Conservation Division**

Arch Petroleum, Inc. c/o James Bruce P. O. Box 1056 Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4501

Dear Mr. Bruce:

Reference is made to the following: (i) your original application on behalf of the operator, Arch Petroleum, Inc. ("Arch"), submitted to the New Mexico Oil Conservation Division ("Division") on July 21, 2000; and (ii) the Division's records in Santa Fe: all concerning Arch's request for an unorthodox "infill" oil well location within an existing stan lard 40-acre oil spacing and proration unit comprising the NW/4 SE/4 (Unit J) of Section 21, Township 23 South, Range 37 East, NMPM, Teague-Paddock-Blinebry Pool, Lea County, New Mexico.

This 40-acre unit is currently dedicated to Arch's G. G. Travis Well No. 2 (API No. 30-025-22311) located at a standard oil well location 1980 feet from the South and East lines of Section 21.

Further, the area comprising the N/2 SE/4 of Section 21 is within a single fee lease in which Arch is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than Arch.

The application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231 issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox "infill" oil well location within the NW/4 SE/4 (Unit J) of Section 21 is hereby approved:

> E. E. Travis Well No. 5 1650' FSL & 1330' FEL.

Further, both the existing G. C. Travis Well No. 2 and the proposed E. E. Travis Well No. 5 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely.

Lori Wrotenbery

Director

LW/MES/kv

New Mexico Oil Conservation Division - Hobbs cc: