

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000 1530 0004 2503 3296

Anson Gas Corporation  
4005 NW Expressway #400E  
Oklahoma City, OK 73116

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,



Dale Douglas, CPL

/dd  
Enclosure

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 13081 Exhibit No. 3  
Submitted by:  
DAVID H. ARRINGTON OIL AND GAS, INC.  
Hearing Date: August 21, 2003

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

**DAVID H. ARRINGTON OIL & GAS, INC.**

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 70001530000425033180

Chesapeake Exploration, L.P.  
PO Box 18496  
Oklahoma City, OK 73154

**NOTE:** David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately **13,400'**. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately **2235' FNL & 330' FWL** and an approximate bottom hole location of **1900' FSL and 1300' FWL** of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

*o/s r-*

Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

**DAVID H. ARRINGTON OIL & GAS, INC.**

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/5300004/25033/97

Chalfant Properties, Inc.  
P.O. Box 3123  
Midland, TX 79702

**NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in BOLD.**

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately **13,400'**. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately **2235' FNL & 330' FWL** and an approximate bottom hole location of **1900' FSL and 1300' FWL** of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

*o/s r-*

Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED 7000/530000425033203

Estate of Rada Jackson & Unknown Heirs  
Thelma Champion/Mattie Pou, Assumed Heirs  
c/o Thelma Champion  
4932 Lyndon Dr.  
Fort Worth, TX 76116

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

o/s y-  
Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 70001530000425033210

Jerry D. Billington, Assumed Heir of  
Jamie Ann Medlin Billington  
4911 Matador  
Amarillo, TX 79109

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

*D/S R-*

Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6885  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 70001530000425033227

Robert Freck  
P.O. Box 4045  
Bergheim, TX 78004

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately **13,400'**. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately **2235' FNL & 330' FWL** and an approximate bottom hole location of **1900' FSL and 1300' FWL** of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

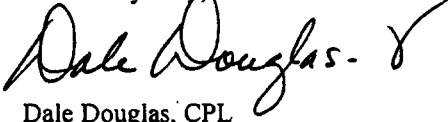
In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,



Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 70001530000425033234

Shawn Freck  
P.O. Box 4045  
Bergheim, TX 78004

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.


In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

  
Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

**DAVID H. ARRINGTON OIL & GAS, INC.**

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 70001530 0004 25033241

James R. Leeton  
P.O. Box 10561  
Midland, TX 79702

**NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in BOLD.**

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately **13,400'**. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately **2235' FNL & 330' FWL** and an approximate bottom hole location of **1900' FSL and 1300' FWL** of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

*o/s r-*

Dale Douglas, CPL

/dd  
Enclosure



214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

**DAVID H. ARRINGTON OIL & GAS, INC.**

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED 70001530000425033258

Helen Jane Christmas Barby  
Trustee of the Helen Jane Christmas Trust  
P.O. Box 425  
Okarche, OK 73762

**NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in BOLD.**

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

*o/s r-*

Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 70001530000425033272

Estate of Thelma Ann Turner/Unknown Heirs NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

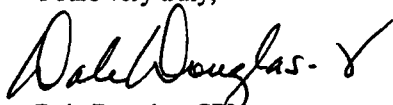
In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

  
Dale Douglas, CPE

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

AUG 31 2001 Area Code: 815  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED -

70001530000425033289

James E. Bailey & Wilma J. Lair/Unknown Heirs  
P.O. Box 811  
Lovington, NM 88260

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in BOLD.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

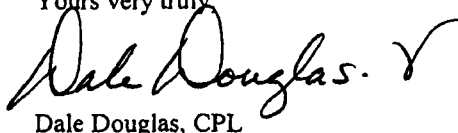
In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly

 Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED 70001530000425033/59

Bob Phipps & Nayna P. Phipps  
P.O. Box 3172  
West Somerset, KY 42564

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in **BOLD**.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

0/5 ✓

Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000153D000425033166

Joe Alexander & Carolyn S. Alexander  
P.O. Box 3081  
Midland, TX 79702

NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in BOLD.

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately **13,400'**. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately **2235' FNL & 330' FWL** and an approximate bottom hole location of **1900' FSL and 1300' FWL** of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

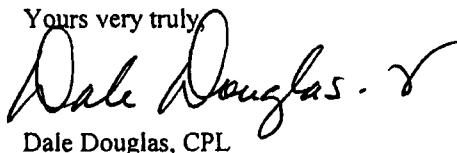
In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,



Dale Douglas, CPL

/dd  
Enclosure

214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone: 682-6685  
Fax: 682-4139

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530000425033265

Vera B. Selman  
1713 W. Ave. J  
Lovington, NM 88260

**NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the proposal for this well dated August 1, 2001 was "defective" in that some letters were addressed to parties other than those addressed on the envelope. We apologize for this inconvenience and request your timely response to this proposal. Any changes are in BOLD.**

RE: Royal Stimulator #2 Well  
T15S-R36E  
Section 31: Lots 1,2,3,4, E/2W/2  
Lea County, NM

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") hereby proposes the drilling of the above captioned well to a depth sufficient to adequately test the Mississippian formation, anticipated total vertical depth being approximately 13,400'. Furthermore, Arrington shall evaluate, to its satisfaction, all other formations encountered at lesser depths in the drilling of said well. The proposed spacing or proration unit for this well will be as follows: (i) Lot 2 for anything on 40 acre equivalent spacing, (ii) Lots 1 and 2 for anything on 80 acre equivalent spacing, (iii) Lots 1,2, and E/2NW/4 for anything on 160 acre equivalent spacing, and (iv) Lots 1,2,3,4 and E/2W/2 for anything on 320 acre equivalent spacing of Section 31, T15S, R36E, Lea County, New Mexico.

This well will have a surface location approximately 2235' FNL & 330' FWL and an approximate bottom hole location of 1900' FSL and 1300' FWL of Section 31, T15S, R36E, Lea County, New Mexico. Arrington's AFE for the drilling and completion of this well is enclosed for your review. Should you desire to participate to the full extent of your interest in the drilling of this proposed well, please return an executed copy of the AFE to the undersigned at your earliest convenience.

Upon receipt of your executed AFE, we will forward for your review and execution Arrington's Joint Operating Agreement covering this proposed well.

In the event you should elect to not participate in the drilling of this test well and would like to make other arrangements concerning your interest, please feel free to contact us in order that we might discuss same.

We anticipate drilling the captioned well in the very near future. We therefore request that you please review this matter as soon as possible and advise as to your position regarding this proposal within thirty (30) days from your receipt of this letter.

In the event that we are not able to reach an agreement with you, we will necessarily have to initiate force-pooling procedures to allow the drilling of this well.

Should you have any questions or comments, we invite you to contact us.

Yours very truly,

*o/s ✓*

Dale Douglas, CPL

/dd  
Enclosure

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Bob Phipps & Nayna  
Phipps  
P.O. Box 3172  
West Somerset, KY  
42564

## 2. Article Number (Copy from service label)

7000 1530 0004 2503 3159

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Bob Phipps B. Date of Delivery 8-21-01  
C. Signature [Signature] ☐ Agent ☐ Addressee  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Chalfant Properties  
P.O. Box 3123  
Midland, TX  
79702

## 2. Article Number (Copy from service label)

7000 1530 0004 2503 3197

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Judith Hambrecht B. Date of Delivery AUG 17 2001  
C. Signature [Signature] ☐ Agent ☐ Addressee  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Jerry Billington  
Assumed heir of  
Jamie Ann Billington  
4911 Matador  
Amarillo, TX 79109

## 2. Article Number (Copy from service label)

7000 1530 0004 2503 3210

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Jerry Billington B. Date of Delivery AUG 21 2001  
C. Signature [Signature] ☐ Agent ☐ Addressee  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Anson Gas Corporation  
4005 NW Expressway #400E  
Oklahoma City, OK  
73116

2. Article Number (Copy from service label)

7000 1530 0004 2503 3296

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

X

*Janet Cook* ☐ Agent  
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Vera B. Selman  
1713 W. Ave. G  
Rovington, NM  
88260

2. Article Number (Copy from service label)

7000 1530 0004 2503 3265

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

X

*Randy Selman* ☐ Agent  
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Estate of Rada Jackson  
c/o Shelma Champion  
4932 Lyndon Dr.  
St. Worth, TX  
76116

2. Article Number (Copy from service label)

7000 1530 0004 2503 3203

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

*Shelma Champion* 8/18/01

C. Signature

X

*Shelma Champion* ☐ Agent  
☒ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James R.  
P.O. Box 10561  
Midland, TX 79702

2. Article Number (Copy from service label)

7000 1530 0004 2503 3241

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *Patricia Kato* ☐ Agent ☒ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chesapeake Exploration  
P.O. Box 18496  
Oklahoma City, OK 73154

2. Article Number (Copy from service label)

7000 1530 0004 2503 3180

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *Brian* ☐ Agent ☒ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Helen Jane Barbey  
PO Box 1125  
Okarche, OK 73762

2. Article Number (Copy from service label)

7000 1530 0004 2503 3180

PS Form

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *Jane Barbey* ☐ Agent ☒ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

102595-00-M-0952