

FROM :

Nov-02-98 09:50 Bahlburg Exploration

PHONE NO. : 0

972-867-6745

NOV. 2, 1998

PHONE NO. : 0

8:55PM

P.02

P.02

FROM :

Nov-01-98 02:08A

203 West Main Street
Suite 1201 (215 7870)
P.O. Box 10187
Minneapolis, Texas 76107

DALE DOUGLAS
Oil & Gas Agent

Area Code: 817
Phone: 853-8335
Fax: 853-4498

October 31, 1998

VIX FAX 915-685-3143

Mr. Gary J. Lamb
Packard Energy Group, Inc.
PO Box 10866
Midland, TX 79702

Re: Application of David H. Arrington Oil & Gas, Inc., for an unorthodox well location in Lea County, New Mexico-1006' PEL and 2446' FSL of Section 29, Township 15 South, Range 36 East, NMPM

Dear Mr. Lamb:

As we mentioned in our phone conversation on Thursday, October 29, 1998, we have received a copy of your letter addressed to David H. Arrington Oil & Gas, Inc., C/O Campbell, Carr, Berge & Sheridan, P.A., regarding the above captioned application advising that you intend to formally protest this application.

Although we had previously made the following offer in previous conversations with Mr. Bill Bahlburg with the Packard Energy Group and again to you on Thursday, we would like to reduce to writing our proposal, that in exchange for Packard's agreement to not enter a protest to the captioned application, David H. Arrington Oil & Gas, Inc. will not object in the event Packard Energy Group should request a reciprocal mirror location to Arrington's proposed location in the future.

This offer shall remain open until 4:00PM, Tuesday, November 3, 1998, and unless accepted by Packard Energy Group, Inc. in that time period, shall be subject to withdrawal without notice by Arrington.

In the event this proposal should meet with your approval, please so indicate by signing in the space provided below, and returning to me via fax at 915-682-4498 as provided above.

Thank you for your attention to this matter and should you have any questions or comments, please advise.

Yours truly,




Dale Douglas

Accepted and agreed this 2 day of November, 1998

Packard Energy Group, Inc.

By:


Gary J. Lamb, President

an unorthodox location in the N/2 of Section 29, T15S, R36E so long as said unorthodox location is no closer than 194 ft. from the northern boundary of the SE/4 of Section 29.

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case Nos. 12078 Exhibit No. 4

Submitted by: David H. Arrington Oil & Gas, Inc.

Hearing Date: November 5, 1998

FROM :

Nov-02-98 09:50 Bahlburg Exploration

PHONE NO. : 0

972-867-6745

NOV. 2, 1998

8:59AM

P.02

FROM :

PHONE NO. : 0

Nov-01-98 02:08A

P.02

303 West Wall Street
Suite 1201 (210 78701)
P.O. Box 10187
Midland, Texas 79702

DALE DOUGLAS
Oil & Gas Engineer

Area Code: 915
Phone: 682-4498
Fax: 682-4498

October 31, 1998

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Packard Energy Group, Inc.
PO Box 10866
Midland, TX 79702

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