

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

Catanach

JOE  
Case File  
12602

April 23, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED: 7099 3220 0005 1183 6125

Mr. Ken Gray  
Energen Resources Corporation  
3300 North "A" St., Building 4, Suite 100  
Midland, TX 79705

RECEIVED  
APR 25 2001

Re: Disco Midge Well No. 1  
Section 35, T15S, R35E  
Lea County, New Mexico  
Oil Conservation #12602, Order #R-11568  
Our Calliente Prospect

Gentlemen:

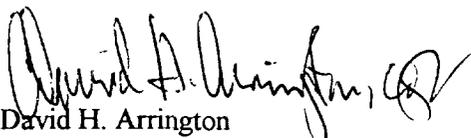
The captioned order providing for the pooling of the W/2 of Section 35, T15S, R35E, Lea County, New Mexico has been issued. Pursuant to provisions of the order, within thirty days from the date the enclosed schedule of estimated well costs is furnished to you, you have the right to pay for your share of the estimated well costs to the operator (David H. Arrington Oil & Gas, Inc.), in lieu of paying your share of reasonable costs out of production as provided in the order. A copy of the order is enclosed herewith and you should familiarize yourself with its contents.

If you desire to participate in the Disco Midge Well No. 1 under the terms of the captioned order, forward your check in the amount of \$282,416.68, representing your proportionate 20.56993% share of the estimated well costs, within the time period prescribed in the order to David H. Arrington Oil & Gas, Inc., PO Box 2071, Midland, TX 79702.

Should there be any questions, please feel free to contact us.

Yours very truly,

DAVID H. ARRINGTON OIL & GAS, INC.

  
David H. Arrington  
President

cc: State of New Mexico  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505  
Attn: Ms. Lori Wrotenbery, Director