August 15, 2001

RE:

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

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

Royal Stimulator #2 Well

T15S-R36E

Section 31: Lots 1,2,3,4, E/2W/2

Lea County, NM

Ladies and Gentlemen:

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.

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,

ale Douglas - V Dale Douglas, CPI

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.

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 1000/530000425033/80

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

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 Y-

Dale Douglas, CPL

/dd Englo

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

August 15, 2001

RE:

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530000425033/97

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

Royal Stimulator #2 Well

T15S-R36E

Section 31: Lots 1,2,3,4, E/2W/2

Lea County, NM

Ladies and Gentlemen:

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.

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,

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Dale Douglas, CPL

/dd

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,

Dale Douglas, CPL

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

August 15, 2001

RE:

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530004250332/0

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

Royal Stimulator #2 Well

T15S-R36E

Section 31: Lots 1,2,3,4, E/2W/2

Lea County, NM

Ladies and Gentlemen:

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.

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 r.

Dale Douglas, CPL

/dd Enclo

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 1000/1530000425033227

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.

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Yours very truly

Dale Douglas, CPL

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530000425033234

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

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530 000 42503334

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,

0/5 Y=

Dale Douglas, CPL

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

August 15, 2001

RE:

CERTIFIED MAIL-RETURN RECEIPT REQUESTED -7050/53000425033358

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

Royal Stimulator #2 Well

T15S-R36E

Section 31: Lots 1,2,3,4, E/2W/2

Lea County, NM

Ladies and Gentlemen:

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.

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

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530000425033272

Estate of Thelma Ann Turner/Unknown Heirs NOTE: David H. Arrington Oil & Gas, Inc. has been advised that the 705 E. Alston 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.

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Yours very truly,

Dale Douglas CPT

/dd

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530000425033289

P.O. Box 811 Lovington, NM 88260

James E. Bailey & Wilma J. Lair/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

buglas. V Dale Douglas, CPI

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED -7000/53000425033759

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,

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Dale Douglas, CPL

/dd

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000/530000425033/100

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

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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.

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Yours very truly,

Vale Nouglas . V

/dd

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

August 15, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED -7000/530604/25033265

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.

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T15S-R36E

Section 31: Lots 1,2,3,4, E/2W/2

Lea County, NM

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Dale Douglas, CPL

/dd Enclo