



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrettenberg
Director

Oil Conservation Division

May 1, 2002

David H Arrington Oil & Gas Inc
ATT: Danny Ledford
P O Box 2071
Midland, TX 79702

RE: Cancel of Intents to Drill

Gentlemen:

Per the order #CV2001-315C from the 5th Judicial District Court of Lea County and the order R-11700-B from the Oil Conservation Division TMBR/Sharp Inc has the rights to drill in Sec.25, T-16s, R-35s.

The Oil Conservation Division is canceling your intents to drill the two wells listed below:

→ Triple-Hackle Dragon 25 #1-E, 25-16s-35s, API #30-025-35636
Glass-Eye Midge 25 #2-A, 25-16s-35s, API # 30-025-35787

If you have any questions on this matter, please call the Hobbs District office (505) 393-6161.

Yours truly,

OIL CONSERVATION DIVISION


Chris Williams
District I, Supervisor

CW:dm

CC: OCD Hobbs
OCD Santa Fe
Bureau of Land Management
State Land Office

MILLER, STRATVERT & TORGERSON, P.A.
LAW OFFICES

RAHME S. MILLER
ALAN C. TORGERSON
ALICE T. LORENZ
GREGORY W. CHASE
STEPHEN M. WILLIAMS
STEPHAN M. VIDMAR
BETH V. BINGHAM
TIMOTHY R. BRIGGS
RUDOLPH LUCERO
DEBORAH A. SOLOVE
GARY L. GORDON
LAWRENCE R. WHITE
SHARON F. GROSS
VIRGINIA ANDERMAN
MARTE D. LIGHTSTONE
J. SCOTT HALL
THOMAS R. MACK
TERRY S. BEACH
THOMAS M. DOMME
RUTH O. FRIEDRICH
JEFFREY S. JONES

ROBIN A. DOBLE
JAMES A. WOOD
DANA M. KYLE
KIRK R. ALLEN
RUTH PUSBS
KYLE M. FINCH
H. BRODER LASKY
KATHERINE W. HALL
PAULA G. MAYNES
MICHAEL C. ROSS
CARLA PRANCO
KATHERINE N. BLACKETT
JENNIFER L. STONE
ANDREW M. SANCHEZ
M. DYLAN O'REILLY
JENNIFER D. HALL
JENNIFER L. OLSON
TODD A. SCHWARTZ
JULIE A. COLEMAN
TIMOTHY L. BUTLER

COUNSEL

ROSS B. PERKAL
JAMES J. WIDLAND
BRADLEY D. TEPPE
GARY FRULEY
WILLIAM G. GRIFFIN

OF COUNSEL

WILLIAM K. STRATVERT
JAMES B. COLLINS

ALBUQUERQUE, NM

500 MARQUETTE NW, SUITE 1100
P.O. BOX 28887 (87728-0887)
ALBUQUERQUE, NM 87102
TELEPHONE: (505) 842-1950
(800) 424-7585
FACSIMILE: (505) 243-4408

SANTA FE, NM

150 WASHINGTON AVE., SUITE 300
P.O. BOX 1888 (87504-1888)
SANTA FE, NM 87501
TELEPHONE: (505) 989-9814
FACSIMILE: (505) 989-9857

FARMINGTON, NM

300 WEST ARRINGTON, SUITE 200
P.O. BOX 889 (87489-0889)
FARMINGTON, NM 87401
TELEPHONE: (505) 328-4821
FACSIMILE: (505) 325-5474

LAS CRUCES, NM

1125 SOUTH MAIN ST., SUITE 8
P.O. BOX 1208 (88004-1208)
LAS CRUCES, NM 88008
TELEPHONE: (505) 923-2481
FACSIMILE: (505) 928-2215

PLEASE REPLY TO SANTA FE

* NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN NATURAL RESOURCES - OIL & GAS LAW
** NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN REAL ESTATE LAW

May 9, 2002

VIA FACSIMILE (505) 393-0720

Mr. Chris Williams
District I Supervisor
New Mexico Oil Conservation Division
1625 French Drive
Hobbs, New Mexico 88240

Re: Triple-Hackle Dragon 25 No. 1-E
Glass-Eye Midge 25 No. 2-A¹
Sec. 25, T-16-S, R-35-E, NMPM, Lea County, New Mexico

Dear Mr. Williams:

This firm represents David H. Arrington Oil and Gas, Inc. in connection with the above-referenced matter. Your May 1, 2002 letter was received by Arrington on May 7, 2002 and forwarded to me.

Please be advised that Arrington has had and continues to have the right to drill in Section 25 independent of the oil and gas lease that is the subject of the ongoing litigation in the Fifth Judicial District Court referenced in your letter. Therefore, the premise underlying your conclusion that Arrington's C-101 and C-102 should be canceled is erroneous. Moreover, the APD approved by the Division for Arrington's Glass-Eyed Midge 25 Well No. 1 well on December 17, 2001, was not the subject of NMOCC Case Nos. 12731 and 12744 (*de novo*) which resulted in the issuance of Order No. R-11700-B.

On behalf of David H. Arrington Oil and Gas, Inc., you are requested to reinstate the drilling permit for the Glass-Eyed Midge Well No. 1 at the earliest opportunity.

¹ The correct name of the well is the Glass-Eyed Midge 25 Well No. 1.

Post-It® Fax Note	7871	Date	3
To	Randy Watts	From	Debbie McKelvey
Co./Dept.		Co.	
Phone #		Phone #	505-392-3575

Mr. Chris Williams
May 9, 2002
Page 2

With respect to the Triple Hackle Well No. 1, Ocean Energy is planning on drilling that well and you should communicate with them directly.

Very truly yours,

MILLER, STRATVERT & TORGERSON, P.A.



J. Scott Hall

