

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Monday, December 17, 2007 9:52 AM
To: 'Kristina Martinez'
Cc: Robert Holder; hankk@danahughes.net; William Carr; Fesmire, Mark, EMNRD; Gum, Tim, EMNRD; Ezeanyim, Richard, EMNRD; Jones, William V., EMNRD; Sanchez, Daniel J., EMNRD; 'Bratcher, Mike,'; Macquesten, Gail, EMNRD
Subject: RE: Dan A. Hughes' Hueco South Unit 26 State # 1

Dear Kristina,

In consultation with Tim Gum, the Oil Conservation Division will hold confidential the daily drilling reports and will consider them for 'our use only'.

As for the other requirements (**at this time**) we will require of other wells drilled in this area, we will require that the operator: "Operator to sample from the return flow line chloride readings every 100'."

I suggest that you submit a "confidential agreement letter" as I left on your voice mail.

Yours truly,

Bryan G. Arrant
District II Geologist
New Mexico Oil Conservation Division
1310 West Grand Ave.
Artesia, NM 88210
505-748-1283 Ext. 103

From: Kristina Martinez [mailto:KEMartinez@hollandhart.com]
Sent: Friday, December 14, 2007 3:11 PM
To: Arrant, Bryan, EMNRD
Cc: Robert Holder; hankk@danahughes.net; William Carr
Subject: Dan A. Hughes' Hueco South Unit 26 State # 1

Mr. Arrant,

Dan A. Hughes Company will agree to the requirements listed in the email you sent earlier today. However, with regard to the daily submittal of drilling reports, Dan A. Hughes asks that the Artesia District II office agree to keep the information confidential as it is proprietary in nature. Please let us know if this is an acceptable arrangement.

Additionally, Dan A. Hughes would like to express a concern. While it is willing to comply with these requirements for this initial well, Dan A. Hughes believes it would be unnecessary and excessive to impose such requirements on every well it drills in the Hueco South Unit.

If you have any questions, please feel free to contact me.

Kristina

Kristina Martinez
Attorney
Holland & Hart LLP
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Santa Fe, New Mexico 87504-2208
Phone (505) 988-4421
E-mail: kemartinez@hollandhart.com

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