

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

December 4, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000 1530 0004 2503 3531

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

RE: Big Black Ant #1 Well
Section 1: E/2, T15S, R34E
Lea County, NM
Our Papalotes Prospect

OIL CONSERVATION DIVISION
CASE NUMBER 12828
EXHIBIT 3

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 Atoka, Morrow, and Mississippian formations, anticipated total vertical depth being approximately 14,000. The proposed spacing or proration unit for this well will be the E/2 of Section 1, T15S, R34E, Lea County, New Mexico.

This well will be located approximately 660' FNL & 990' FEL of said Section 1. 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.

Should you have any questions or comments, we invite you to contact us

Yours very truly,

Dale Douglas, CPL

/dd
Enclosures

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.	A. Received by (Please Print Clearly) PATTI CARDEEN B. Date of Delivery DEC 6 2001
1. Article Addressed to: Abo Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210	C. Signature Patti Carleen <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
2. Article Number (Copy from service label) 7000 1530 0004 2503 3531	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No DEC - 7 2001
PS Form 3811, July 1999	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
Domestic Return Receipt	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

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

December 4, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000 1530 0004 2503 3524

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

RE: Big Black Ant #1 Well
Section 1: E/2, T15S, R34E
Lea County, NM
Our Papalotes Prospect

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 Atoka, Morrow, and Mississippian formations, anticipated total vertical depth being approximately 14,000. The proposed spacing or proration unit for this well will be the E/2 of Section 1, T15S, R34E, Lea County, New Mexico.

This well will be located approximately 660' FNL & 990' FEL of said Section 1. 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.

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Yours very truly,



Dale Douglas, CPL

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1. Article Addressed to: Myco Industries, Inc. 105 S. Fourth Street Artesia, NM 88210	C. Signature <u>Patti Carlisle</u> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
2. Article Number (Copy from service label) <u>7000 1530 0004 2503 3524</u>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No DEC - 7 2001
PS Form 3811, July 1999	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
Domestic Return Receipt	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

December 4, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000 1530 0004 2503 3555

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

RE: Big Black Ant #1 Well
Section 1: E/2, T15S, R34E
Lea County, NM
Our Papalotes Prospect

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 Atoka, Morrow, and Mississippian formations, anticipated total vertical depth being approximately 14,000. The proposed spacing or proration unit for this well will be the E/2 of Section 1, T15S, R34E, Lea County, New Mexico.

This well will be located approximately 660' FNL & 990' FEL of said Section 1. 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.

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Dale Douglas
Dale Douglas, CPL

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	C. Signature Patti Carlis Agent Addressee	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		
DEC - 7 2001		
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article Number (Copy from service label) 7000 1530 0004 2503 3555		

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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

December 4, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000 1530 0004 2503 3562

Purvis Oil Corp.
P.O. Box 11006
Midland, TX 79702

RE: Big Black Ant #1 Well
Section 1: E/2, T15S, R34E
Lea County, NM
Our Papalotes Prospect

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 Atoka, Morrow, and Mississippian formations, anticipated total vertical depth being approximately 14,000. The proposed spacing or proration unit for this well will be the E/2 of Section 1, T15S, R34E, Lea County, New Mexico.

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Dale Douglas, CPL

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<ul style="list-style-type: none">Complete items 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.		A. Received by (Please Print Clearly) <i>Betty Oxford</i>	B. Date of Delivery <i>12-6-01</i>
1. Article Addressed to: Purvis Oil Corp. PO box 11006 Midland, TX 79702		C. Signature <i>Betty Oxford</i>	<input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	DEC - 7 2001
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

2. Article Number (Copy from service label) 7000 1530 0004 2503 3562

December 4, 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000 1530 0004 2503 3548

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

RE: Big Black Ant #1 Well
Section 1: E/2, T15S, R34E
Lea County, NM
Our Papalotes Prospect

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 Atoka, Morrow, and Mississippian formations, anticipated total vertical depth being approximately 14,000. The proposed spacing or proration unit for this well will be the E/2 of Section 1, T15S, R34E, Lea County, New Mexico.

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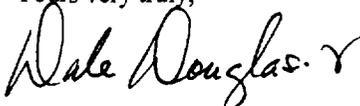
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Dale Douglas, CPL

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<p>1. Article Addressed to:</p> <p>Yates Drilling Company 105 S. Fourth Street Artesia, NM 88210</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Copy from service label) 7000 1530 0004 2503 3548</p>	

December ⁶ 4, 2001

*Remailed 12-20-01
 See Juan Card(?)*

CERTIFIED MAIL-RETURN RECEIPT REQUESTED - 7000 1530 0004 2503 3579

Successor to Baruch-Foster
 Assumed to be Apache Corporation
 2000 Post Oak Blvd., Suite 100
 Houston, TX 77056-4400

*Erich says Apache
 did get this*

Attn: Mr. Mario R. Moreno, Jr.
 Senior Staff Landman

RE: Big Black Ant #1 Well
 Section 1: E/2, T15S, R34E
 Lea County, NM
 Our Papalotes Prospect

Ladies and Gentlemen:

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Yours very truly,

Dale Douglas - r

Dale Douglas, CPL

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SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY		U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only: No Insurance Coverage Provided)	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly) _____ B. Date of Delivery _____ C. Signature _____ X		OFFICIAL RECEIPT Postage \$ _____ Certified Fee _____ Return Receipt Fee (Endorsement Required) _____ Restricted Delivery Fee (Endorsement Required) _____ Total Postage & Fees \$ _____	
1. Article Addressed to: <i>Successor to Baruch-Foster Assumed Apache Corp. 2000 Post Oak Blvd # 100 Houston, TX 77056-4400</i>		D. Is delivery address different from item 1? <input type="checkbox"/> If YES, enter delivery address below: <div style="text-align: center; border: 1px solid black; padding: 5px;">DEC 19 2001</div>			
2. Article Number (Copy from service label) <i>7000 1530 0004 2503 3579</i>		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Me <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/>			
		Sent To <i>Successor to Baruch-Foster</i> Street, Apt. No.; or PO Box No. <i>APACHE</i> City, State, ZIP+ 4 _____			