



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

April 24, 2002

Lori Wrotenbery

Director

Oil Conservation Division

David H. Arrington Oil & Gas, Inc.
c/o Holland & Hart LLP
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSP-1853 (L)

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, David H. Arrington Oil & Gas, Inc. ("Arrington"), submitted to the New Mexico Oil Conservation Division ("Division") on March 15, 2002 (*Division application reference No. pKRV0-207457316*); and (ii) the Division's records in Santa Fe: all concerning Arrington's request for a non-standard 91.95-acre wildcat Queen gas spacing and proration unit consisting of the following acreage in Lea County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Irregular Section 29: Lots 3 and 4.

It is our understanding that this unit is to be dedicated to Arrington's existing Davis Well No. 1 (API No. 30-025-07939), located at an unorthodox gas well location 990 feet from the South line and 330 feet from the East line (Lot 4/Unit O) of Irregular Section 29.

This application has been duly filed under the provisions of Division Rules 104.D (2) and 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rules 104.F (2) 104.D (2) (b), as revised, the above-described unorthodox wildcat Queen gas well location and 91.95-acre non-standard gas spacing and proration unit are hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs