

15 at a total vertical depth of approximately 5,400 feet. The well will test all formations from the surface through the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Artesia, New Mexico.

**CASE NO. 13659: Continued from April 13, 2006, Examiner Hearing**

**Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 17, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and or pools developed on 320-acres, including but not necessarily limited to the Wolfcamp formation, undesignated Cottonwood Creek Wolfcamp Pool. Said units are to be dedicated to Applicant's proposed Wonder Bunny 1-H Well to be drilled from a surface location 1880' from the East line and 660' from the South line to a bottom hole location 1880' from the East line and 660' from the North line of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of David H. Arrington Oil and Gas, Inc. or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 10 miles west of Artesia, New Mexico.

**CASE NO. 13681: Continued from April 13, 2006, Examiner Hearing**

**Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the spacing and proration unit/horizontal well Project Area comprised of the E/2 of Section 17, Township 17 South, Range 24 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Collins Ranch-Wolfcamp Gas Pool. This spacing unit/horizontal well Project Area is to be dedicated to the Joliba "17" Fee Well No. 1H to be drilled from a standard gas well surface location 660 feet from the South line and 1815 feet from the East line and then horizontally drilled in the Wolfcamp formation in a northerly direction to a projected bottomhole location 660 feet from the North line and 1880 feet from the West line of said Section 15. The well will test all formations from the surface through the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles west of Artesia, New Mexico.

**CASE NO. 13598: Continued from April 13, 2006, Examiner Hearing**

**Application of Hudson Oil Company of Texas, William A. Hudson and Edward R. Hudson for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the San Andres formation through the base of the Morrow formation in the following described acreage in Section 12, Township 17 South, Range 31 East: the N/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Fren-Morrow Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent and the NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated East Fren-Paddock Pool. Said units are to be dedicated to its Francotte Federal Well No. 1 to be drilled 660 feet from the North and West lines of said Section 12 to an approximate depth of 12,500 feet. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Hudson Oil Company of Texas as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles east northeast of Maljamar, New Mexico.



May 2, 2006

**VIA FACSIMILE**  
**FAX NO. (505) 982-2151**

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, New Mexico 87505-1056

**Re: New Mexico Oil Conservation Division Case No. 13598: Application of Hudson Oil Company of Texas, Willaim A. Hudson and Edward R. Hudson for compulsory pooling, Eddy County, New Mexico.**

Dear Mr. Bruce:

This letter confirms our recent conversations in which you requested geological data supporting the above-referenced application. I have discussed this request with my clients and with Raye Miller at Marbob Energy Corporation and can confirm that the data you are requesting does not exist.

I request that you confer with your clients and advise if they are still interested in entering a Join Operating Agreement pursuant to which Marbob Energy Corporation will operate the well that is the subject of this application. If they are not interested in resolving this matter in this way, Hudson Oil Company of Texas will proceed to hearing on our pending pooling application.

Very truly yours,

William F. Carr

cc: E. Randall Hudson