



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Lori Wrotenbery

Director

Oil Conservation Division

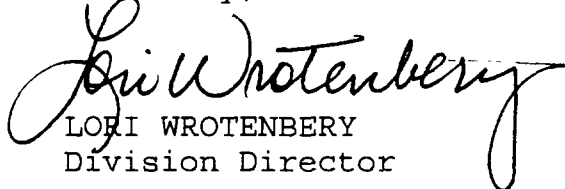
October 18, 2000

Mr. William F. Carr
Campbell, Carr, Berge & Sheridan
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of October 16, 2000, and in accordance with the provisions of Division Order No R-11333-A, David H. Arrington Oil & Gas, Inc. is hereby granted an extension of time until January 20, 2001, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12313
OCD - Hobbs

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October 16, 2000

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV
OCT 16 AM 2:36

Re: Oil Conservation Division Case No. 12313: Application of David H. Arrington Oil & Gas Inc. for compulsory pooling, directional drilling of a horizontal well, and a non-standard spacing unit, Lea County, New Mexico.

Dear Ms. Wrotenbery;

On July 18, 2000, the Division entered Order No. R-11333-A which granted the application of David H. Arrington Oil & Gas, Inc. in the above-referenced case which, among other things, pooled all uncommitted interests from the surface to the base of the Strawn formation under the following spacing and proration units in Section 10, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico:

- A. NW/4 SW/4 to form a standard 40-acre spacing and proration unit for any formations and/or pools developed on 40-acre spacing; and
- B. SW/4 to form a non-standard 160-acre proration unit or "project area" as defined by Division Rule 111.A(9), to be the combination of two standard 80-acre spacing and proration units comprising the W/2 SW/4 and E/2 SW/4 of Section 10, in order to accommodate a horizontally drilled wellbore within the Northeast Lovington-Pennsylvanian Pool.

Letter to Lori Wrotenbery
October 16, 2000
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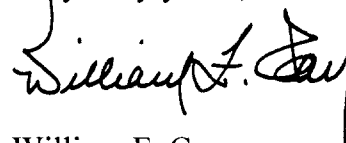
These pooled units are to be dedicated to Arrington's proposed H & L Variance "10" Well No. 1.

Order R-11333-A provides that in the event Arrington does not commence drilling operations on the H. & L. Variance "10" Well No. 1 on or before October 20, 2000, this pooling order shall be of no effect unless Arrington obtains a time extension from the Division Director for good cause shown. The purpose of this letter is to request a 90-day extension of Order No. R-11333-A.

Arrington intends to drill the H. & L. Variance "10" Well No. 1 in the SW/4 of Section 10. However, it has encountered delays in obtaining a rig for this well and cannot proceed with drilling until sometime late this year or early in 2001. An extension of Order No. R-11333-A from October 20, 2000 to January 20, 2001 is therefore needed.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a long vertical stroke at the end.

William F. Carr
Attorney for David H. Arrington
Oil & Gas Inc.

cc: David H. Arrington
Dale Douglas