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PLEASE REPLY TO SANTA FE

May 1, 2000

**BY FACSIMILE TRANSMISSION: 1-505-827-8177**

Lori Wrotenbery, Director  
New Mexico Oil Conservation Commission  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: Application of David H. Arrington Oil & Gas, Inc. for an Unorthodox Gas Well  
Location, Lea County, New Mexico; NMOCD Case No. 12381

Dear Ms. Wrotenbery:

Enclosed is a Motion For Continuance filed on behalf of Permian Resources, Inc. Permian seeks the continuance of this matter from the May 4<sup>th</sup> hearing to the June 1, 2000 examiner docket.

I would appreciate your review and consideration of this motion at your earliest convenience.

Very truly yours,

MILLER, STRATVERT & TORGERSON, P.A.

  
J. Scott Hall

JSH/ao  
Enclosure(s) – as stated

cc: Jim Bruce by fax  
David Catanach by fax  
Lyn Hebert by fax

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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
DAVID H. ARRINGTON OIL & GAS COMPANY  
FOR AN UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO

CASE No. 12381

**MOTION FOR CONTINUANCE**

Permian Resources, Inc., ("Permian"), through its attorneys, Miller, Stratvert & Torgerson, P.A., (J. Scott Hall), moves that the Division enter its order continuing this case to the June 1, 2000 examiner docket. In support, Permian states:

1. Permian Resources, Inc. is a party to a purchase and sale agreement for the acquisition of certain oil and gas leasehold interests in Lea County, New Mexico, including working interests in the W/2 of Section 13, T-16-S, R-35-E that offset the unorthodox well location in Section 14 being proposed by the Applicant in this proceeding. Under its purchase and sale agreement, Permian is the owner of an interest that will be adversely affected by the unorthodox location proposed by the Applicant and Permian is accordingly the real party in interest.
2. Permian's acquisition is scheduled to close on May 22, 2000, at which time it will acquire record title ownership in the affected acreage. However, Permian will be unable to take possession of the land files, engineering data and geologic materials on the affected acreage before the May 22<sup>nd</sup> closing date. As a consequence, Permian is prevented from becoming sufficiently informed about the geologic and engineering data for its offsetting acreage to enable it to adequately protect its interests in this

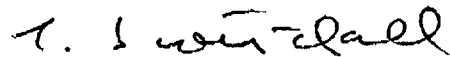
proceeding. Consequently, Permian will suffer prejudice if a continuance is not granted.

3. On information and belief, the Applicant has no lease expiration or other drilling deadline that will be affected, and the Applicant is not otherwise prejudiced by a continuance.
4. Additionally, the proposed drilling location is within the regulatory limits of extraterritorial zoning authority for Lea County and the City of Lovington. Consequently, the subject well cannot be drilled until the Applicant completes the two-step application, hearing and permitting process before the Lea County/City of Lovington Extraterritorial Zoning Authority. We have confirmed with those agencies that the Applicant has not yet begun that process. Therefore, the Applicant cannot demonstrate that it will be prejudiced by a continuance in any event.
5. A continuance of this matter to the June 1, 2000 hearing docket is justified on the grounds of fundamental fairness. It is noted that this matter was continued once before due to the unavailability of counsel.
6. The Applicant opposes this Motion.

Respectfully submitted

MILLER, STRATVERT & TORGERSON, P.A.

By



J. Scott Hall  
Post Office Box 1986  
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**Certificate of Mailing**

I hereby certify that a true and correct copy of the foregoing was sent by facsimile transmission to counsel of record on the 1 day of May 2000, as follows:

James Bruce, Esq.  
PO Box 1056  
Santa Fe, New Mexico 87504-1056

A handwritten signature in cursive script, appearing to read "J. Scott Hall", written over a horizontal line.

J. Scott Hall