

HOLLAND & HART<sup>LLP</sup>  
and  
CAMPBELL & CARR  
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January 2, 2001

**HAND DELIVERED**

David R. Catanach, Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: TMBR/Sharp Drilling Company  
Federal "21" Well No. 1  
Case No. 12550 - Pooling Application  
Hearing Date: December 7, 2000.

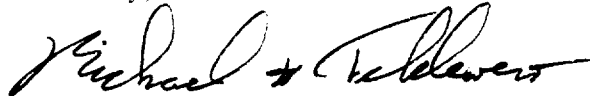
Dear Mr. Catanach:

The purpose of this letter is to inform you that TMBR/Sharp has reached an agreement with all of the interest owners in Tract Three concerning the above referenced well. *See* TMBR/Sharp's Exhibit No. 2. Therefore the only remaining party subject to forced pooling is Anadarko Petroleum Corporation, the interest owner in Tract Two.

TMBR/Sharp's Exhibit No. 3 contains a November 9, 2000, letter under which Anadarko elected to go non-consent for the subject well. Attached please find TMBR/Sharp's October 18, 2000, letter (referenced in Anadarko's November 9<sup>th</sup> letter) which is missing from Exhibit 3.

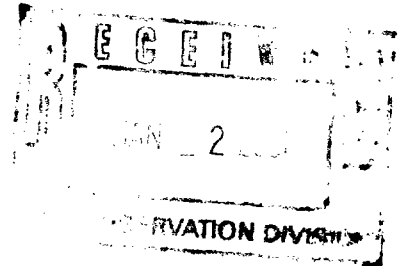
TMBR/Sharp respectfully requests that the order in this matter be expedited. If you have any questions or require additional information, please feel free to call.

Sincerely,



Michael H. Feldewert

MHF/ras  
Enclosure



# TMBR/Sharp



Drilling, Inc.

Drawer 10970  
Midland, Texas 79702-7970  
915 - 699-5050

October 18, 2000

Anadarko Petroleum Corporation  
Attn: Reverdy Jones III  
P. O. Box 1330  
Houston, Texas 77251-1330

Re: Well Proposal  
TMBR/Sharp State 21 Fed. #1  
Lea County, New Mexico  
Our Lusk/N Prospect

Gentlemen:

TMBR/Sharp Drilling, Inc. hereby proposes the above subject well to be drilled at a location of 1,980 feet FSL and 990 feet FWL in Section 21, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. The well will test the Morrow formation at a depth of approximately 12,300 feet as indicated on the enclosed AFE and well prognosis.

We request your participation in the test by signing, dating and returning one (1) copy of the enclosed AFE to our office along with your geological requirements. The operation will be conducted under the terms of the operating agreement currently being negotiated between TMBR/Sharp and Anadarko Petroleum Corporation. If you do not wish to participate TMBR/Sharp would be willing to receive a term assignment or similar support for the test.

Due to lease constraints we request your early response within thirty (30) days from receipt of this proposal. As this well must be drilled prior to December 1, 2000 we will commence force pooling in the absence of a response.

If there are any questions regarding this, please do not hesitate to contact the undersigned at the above listed number.

Yours truly,

TMBR/Sharp Drilling, Inc.

Jeff Phillips  
Vice President