

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

April 3, 2001

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

Attention: William F. Carr

Re: Division Case No. 12560 - Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, directional drilling, and an unorthodox well location, Lea County, New Mexico.

Dear Mr. Carr:

I am in receipt of Mr. Bill Baker's letter dated March 27, 2001, which was written in response to my letter to you of March 14th. His correspondence brings up several issues that will need to be explained within an order issued in this matter. I therefore find it necessary to review the directional drilling survey taken of this well. Please provide me a copy of the survey with a schematic diagram of the finished wellbore. Thank you.

Sincerely Li

Michael E. Stogner Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs