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February 6, 2001

**HAND DELIVERED**

Michael E. Stogner, Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Michael's Drive  
Santa Fe, New Mexico 87505

01 FEB - 6 PM 1:43  
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Re: **Case 12591:** Application of David H. Arrington Oil and Gas , Inc. for pool contraction, pool extension, unorthodox well location and simultaneous dedication, Lea County, New Mexico.

Dear Mr. Stogner,

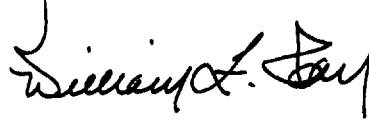
This letter confirms our conversation of this date in which I confirmed that David H. Arrington Oil and Gas, Inc. requests that the portion of the above-referenced case which relates to the simultaneous dedication of three wells in the W/2 of Section 14, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico be dismissed.

Furthermore, at your suggestion, Mr. Bill Baker, geologist for Arrington, contacted Paul Kautz at the Oil Conservation Division Office in Hobbs concerning the contraction of the boundaries of the Townsend-Morrow Gas Pool and the extension of the North Shoe Bar-Atoka Gas Pool. Arrington is sending Mr. Kautz the geological data which supports this change in pool boundaries and Mr. Kautz has advised that the requested adjustments in pool boundaries can be and will be handled by the District office. It is our understanding that Mr. Kautz will arrange for these changes to be included in the Division's next nomenclature hearing. Therefore, Arrington requests that this portion of the case also be dismissed.

Letter to Michael E. Stogner  
February 6, 2001  
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At the February 8, 2001 Examiner Hearing, Arrington will only present the portion of its case which relates to its request for an unorthodox well location.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive, flowing style with a large initial 'W'.

William F. Carr

cc: Mr. Paul Kautz  
Oil Conservation Division

W. Thomas Kellahin, Esq.  
Kellahin and Kellahin

Bill Baker  
David H. Arrington Oil and Gas, Inc.