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March 1, 2001

01 MAR - 1 PM 2:49  
OIL CONSERVATION DIV

HAND-DELIVERY

Mr. David Catanach, Hearing Examiner  
Oil Conservation Division  
New Mexico Energy, Minerals & Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Case No. 12602:** Application of David H. Arrington Oil and Gas, Inc.  
for Compulsory Pooling, Unorthodox Well Location and Directional  
Drilling, Lea County, New Mexico.  
Hearing Date: February 22, 2001.

Dear Mr. Catanach:

We are in receipt of Mr. Hall's February 27<sup>th</sup> letter to you on behalf of Energen Resources Corporation. By that letter, Energen makes an unusual request that your Order in the above referenced matter address the orientation of a spacing unit for a Strawn completion in the NW/4 of Section 35, T-15-S, R-36-E.

The orientation of a spacing unit for a Strawn completion in the NW/4 of Section 35 is simply not at issue in this case. Mr. Dale Douglas testified at the February 22nd hearing that because David H. Arrington Oil and Gas, Inc. owns all of the working interest in the NW/4 of Section 35, the application only seeks an order pooling the W/2 of Section 35 for a well to be completed in the Atoka formation. Mr. Bill Baker further testified that the Strawn formation is neither a primary nor secondary target for the proposed well. As a result, Arrington Oil & Gas does not seek a pooling order, nor does it propose any particular orientation, for a Strawn well.

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More importantly, Energen has no interest in the NW/4 of Section 35 and therefore no standing to demand any particular spacing unit for a Strawn well in that section. *See* Arrington Exhibit No. 3. Arrington Oil & Gas therefore sees no basis for Energen's request.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written in a cursive style.

Michael H. Feldewert

MHF

cc: J. Scott Hall  
Bill Baker