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* NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN NATURAL RESOURCES - OIL & GAS LAW
** NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN REAL ESTATE LAW

February 27, 2001

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505

Re: NMOCC Case # 12602-Application of David H. Arrington Oil and Gas, Inc.
for Compulsory Pooling, Unorthodox Well Locations and Directional
Drilling, Lea County, New Mexico

Dear Mr. Catanach:

At the February 22, 2001 hearing in the above matter, I understood the Applicant's representatives were in agreement that, in the event the subject well obtained commercial production in the Strawn formation, there was no reason why a stand-up unit consisting of the W/2 NW/4 of Sec. 35, T-15-S, R-35-E should not be dedicated to the well, rather than a lay-down unit. Such a drilling unit for the 80-acre undesignated West Lovington Strawn pool would conform with the prevailing development pattern in the area and is likely to result in the more efficient recovery of Strawn reserves.

On behalf of Energen Resources Corporation, we request that any order issued in the case authorize the dedication of a W/2 NW/4 drilling unit for a Strawn completion for the subject well. By so requesting, however, Energen waives no rights to seek further relief from any adverse order.

Thank you for your consideration of this request.

February 27, 2001

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Very truly yours,

MILLER, STRATVERT & TORGERSON, P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive, flowing style with a large, sweeping "H" and a long, trailing "l".

J. Scott Hall

JSH/ao

cc: Michael Feldewert
Ken Gray

6621/26507/Correspondence/Catanach ltr.doc