

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
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Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 19, 2001

Mr. Michael Feldewert Holland & Hart and Campbell & Carr Attorneys at Law Post Office Box 2208 Santa Fe, New Mexico 87504-2208

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Dear Mr. Feldewert:

Based upon the reasons stated in your letter of December 18, 2001, and in accordance with the provisions of Division Order No. R-11667, David H. Arrington Oil and Gas, Inc. is hereby granted an extension of time until March 31, 2002, in which to commence drilling the well pooled by this order.

Sincerely,

LORI WROTENBERY
Division Director

fd/

cc: Case No. 12675
OCD - Hobbs
Tom Kellahin

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Michael H. Feldewert

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December 18, 2001

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87501

Case No. 12675: Application of David H. Arrington Oil & Gas, Inc. for Compulsory Pooling And An Unorthodox Gas Well Location, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Re:

On May 31, 2001, the above-referenced matter was heard by the Division. On October 10, 2001, the Division entered Order R-11667 which granted Arrington's pooling application, but denied the request for an unorthodox well location. The Examiner determined Arrington Oil had failed to provide sufficient evidence to support an unorthodox location.

Order R-11667 - Request for Extension

Order R-11667 requires Arrington to commence drilling operations at a standard location by December 31, 2001. Since the entry of Order R-11667 in October, Arrington has reviewed 3-D seismic data on the property and records from a well recently completed north of the property. This new data indicates an unorthodox location is geologically superior to standard locations within the spacing unit established by Order R-11667. As a result, Arrington Oil intends to file an application to amend Order R-11667 to allow the drilling of a well at the geologically superior unorthodox location.

HOLLAND & HART LLP

Lori Wrotenbery, Director December 18, 2001 Page 2

Accordingly, Arrington Oil requests a 90-day extension of Order No. R-11667 so that its application can be heard and a well can be drilled at the geologically superior unorthodox location without the need for a new pooling order.

Your attention to this request is appreciated.

Very truly yours,

Michael H. Feldewert

MHF/js

cc: W. Thomas Kellahin, attorney for Pure Resources, L.P. Bill Baker, David H. Arrington Oil & Gas, Inc.