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August 20, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David H. Arrington Oil and Gas, Inc.
Post Office Box 2071
Midland, Texas 79702

Attention: Bill Baker

Re: Application of David Petroleum Corporation and Yates Petroleum Corporation for
compulsory pooling, Lea County, New Mexico.

Gentlemen:

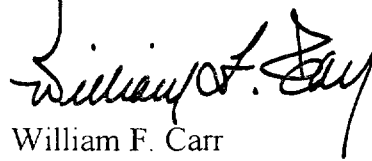
This letter is to advise you that David Petroleum Corporation and Yates Petroleum Corporation have filed the enclosed application with the New Mexico Oil Conservation Division seeking the compulsory pooling of all mineral interests in the E/2 of Section 19, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico. Said units will be dedicated to Yates Petroleum Corporation's Friends "AZM" Com Well No. 1 to be drilled at a standard location 660 feet from the North Line and 1980 feet from the East line of said Section 15 to test all formations from the surface to the base of the Mississippian formation.

This application has been set for hearing before a Division Examiner on September 20, 2001. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

David H. Arrington Oil and Gas, Inc.
August 20, 2001
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Parties appearing in cases are required by Division Rule 1208.B to file a Prehearing Statement three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

William F. Carr
ATTORNEY FOR DAVID PETROLEUM
CORPORATION AND YATES
PETROLEUM CORPORATION

Enc.