



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 13, 2002

Mr. James Bruce
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504

Dear Mr. Bruce:

Based upon the reasons stated in your letter of August 13, 2002, and in accordance with the provisions of Division Order No. R-11752, David H. Arrington Oil & Gas, Inc. is hereby granted an additional extension of time until October 31, 2002, in which to commence drilling the well pooled by this order.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery".

LORI WROTENBERY
Division Director

fd/

cc: Case No. 12840
OCD - Hobbs

JAMES BRUCE

ATTORNEY AT LAW

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Oil Conservation Division

August 13, 2002

Hand Delivered

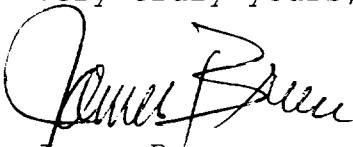
Lori Wrotenbery
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 12840/Order No. R-11752

Dear Ms. Wrotenbery:

The above order requires drilling to be commenced by August 31, 2002. The working interest owners have conducted extensive negotiations over the past two months to reach agreement on a JOA, but have been hampered in reaching final agreement because two of Yates Petroleum's personnel (Randy Patterson and Rob Bullock) have been on extended vacations during part of that period. Therefore, David H. Arrington Oil & Gas, Inc. requests that the well commencement deadline be extended to October 31, 2002. Thank you for your consideration of this matter.

Very truly yours,



James Bruce

Attorney for David H.
Arrington Oil & Gas, Inc.

cc: William F. Carr (via fax)