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December 12, 2002

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

Re: NMOCD Case 12816; Application of TMBR/Sharp Drilling, Inc. for Compulsory Pooling, Lea County, New Mexico

NMOCD Case 12841; Application of Ocean Energy, Inc. for Compulsory Pooling, Lea County, New Mexico

NMOCD Case 12859; Application of David H. Arrington Oil and Gas, Inc. for Compulsory Pooling, Lea County, New Mexico

NMOCD Case 12860; Application of Ocean Energy, Inc. for Compulsory Pooling, Lea County, New Mexico

Dear Director Wrotenbery:

On November 27, 2002, the Division Director, having considered the testimony, the record and the recommendation of the Examiner, entered Order No. R-11700-C ("Order") in the above-referenced Compulsory Pooling Cases. The undersigned counsel for the parties who filed such applications, e.g., TMBR/Sharp Drilling, Inc., Ocean Energy, Inc. and David H. Arrington Oil & Gas, Inc. believe there is a scrivener's error in ordering paragraph 18 on page 14 of the Order. The error involves TMBR/Sharp's appointment as Operator depending on whether TMBR/Sharp's bottom lease is effective or whether Arrington's top lease is effective. Specifically that paragraph provides:

(18) In the event of entry of a final judgment, no longer subject to appeal, determining that the bottom leases are still effective, and the top leases are not effective, Ordering Paragraph No. (5) appointing TMBR/Sharp as operator shall be of no further force and effect. In the absence of agreement by all parties, the Division, upon application of any party owning an interest in the unit pursuant to such judgment, shall appoint a substitute operator.

Based on the remaining provisions of the Order, the parties believe the OCD intended to provide as follows:

(18) In the event of entry of a final judgment, no longer subject to appeal, determining that the top leases are effective, and the bottom leases are no longer effective, Ordering Paragraph No. (5) appointing TMBR/Sharp as operator shall be of no further force and effect. In the absence of agreement by all parties, the Division,

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upon application of any party owning an interest in the unit pursuant to such judgment, shall appoint a substitute operator.

If the revision is consistent with the OCD's intention, the parties would ask that that paragraph be corrected to reflect the OCD's true intent.

Thank you for your attention to this matter and your professional courtesies.

Very truly yours,

COTTON, BLEDSOE, TIGHE & DAWSON, P.C.



Susan R. Richardson

SRR/aw

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