

Arrant, Bryan, EMNRD

From: Gum, Tim, EMNRD
Sent: Friday, September 07, 2007 12:58 PM
To: Fesmire, Mark, EMNRD
Cc: Sanchez, Daniel J., EMNRD; Martin, Ed, EMNRD; EMNRD-OCD - ARTESIA
Subject: FW: Pedregosa Basin Project - Hidalgo County, NM

FYI,

Could even be better than Otero Mesa !!!!

TWG

From: Harvey, Ronald, EMNRD
Sent: Thursday, September 06, 2007 3:36 PM
To: Gum, Tim, EMNRD
Subject: FW: Pedregosa Basin Project - Hidalgo County, NM

Tim,

Here's the email from Robert Holder I told you about regarding drilling operations in Hidalgo county. Let me know if you need any more info.

Ron

From: Robert Holder [mailto:rhoolder@dahughes.net]
Sent: Thursday, September 06, 2007 12:49 PM
To: Harvey, Ronald, EMNRD
Subject: Pedregosa Basin Project - Hidalgo County, NM

Ron,

This email is in response to our conversation yesterday, regarding Dan A. Hughes Company, L.P.'s Pedregosa Basin Project in Hidalgo County, New Mexico. To give you a quick overview, we are successors in title to Fort Worth Operating Co., LLC and have currently, 172,000 acres under Lease in the area under 4 Exploration Units which are the:

Hueco South Unit
Big Hatchet North Unit
Hachita North Unit
Alamo East Unit

The Hueco South Unit is the focus of our immediate drilling program and is currently undergoing initial survey and archeological study for a 39 sq. mile 3-D seismic shoot that will begin within the next month. There are initially 3 wells that are being staked within this Unit and they all fall within T 32S R 17W and in Sections 33, 26, 25. These are conventional type wells that will test a number of expected payzones within the area. It is expected that at some point, the Percha Shale will also be target of an exploration attempt. Should you have any questions, or need any further information, please do not hesitate to call.

Robert Holder
Dan A. Hughes Company, L.P.
361 358-3752 ext.183
361 362-2839 fax
361 362-8424 mobil

This inbound email has been scanned by the MessageLabs Email Security System.

9/7/2007

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Tuesday, October 30, 2007 1:54 PM
To: 'oilreportsinc@oilreportsinc.com'
Cc: Fesmire, Mark, EMNRD; Sanchez, Daniel J., EMNRD; Gum, Tim, EMNRD
Subject: Hueco South Unit 26 State # 1

Dear Gaye,

In reference to the above noted well, please submit the following information so that I can begin my review this application:

Submit a h2s well contingency plan that meets all the requirements of NMOCD Rule 19.15.3.118.
In addition, please submit the distance to the nearest public dwelling(s).

A detailed surface map of the area.

A detailed drilling mud, cementing and casing program.

Other than a well bore diagram, please note that the application submitted provides absolutely no information as to what these parameters are to be.

The number of sacks of cement have been left blank on form C-101. Please provide this information.

Please explain why on the C-101 form the depth to ground water is noted at: 880-1100', yet as I see it Dan A. Hughes Company has no plans in this APD to protect said ground water as noted on the APD.

For example there is not an extra string of casing at this depth to protect said ground water.

Please provide the information that was obtained in the ground water study.

In the APD, the production string of casing plans to bring cement up to on 5000'.

Per the above, how does Dan A Hughes Company plan to plan to be in compliance with NMOCD Rule 19.15.3.106?

Yours truly,

Bryan G. Arrant
District II Geologist
New Mexico Oil Conservation Division
1301 West Grand Ave.
Artesia, NM 88210
505-748-1283 Ext. 103

10/30/2007

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Thursday, November 08, 2007 9:44 AM
To: Jones, William V., EMNRD; Fesmire, Mark, EMNRD; Gum, Tim, EMNRD
Subject: Hueco South Unit 26 State # 1

Mark and Will,
Please review the following e mail I intend to send out as soon to Gaye Heard (regulatory agent for Dan A. Hughes Company) when I receive your thumbs up.
Please make any changes or corrections if need be.

Bryan

Dear Gaye Heard,
In reference to the above noted application to drill (APD) please be advised:

Your proposed APD needs to be set for hearing in Santa Fe.
Please have your attorney contact Florene Davidson at 505-476-3458 and supply Ms. Davidson an advertisement and supply notice to the following agencies:

Director of New Mexico Game and Fish
Director of State Forestry
New Mexico Commissioner of Public Lands

Yours truly,
Bryan G. Arrant
District II Geologist
New Mexico Oil Conservation Division
1301 West Grand Ave.
Artesia, NM 88210
505-748-1283 Ext. 103

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Yours truly,

Bryan G. Arrant

District II Geologist

New Mexico Oil Conservation Division

1301 West Grand Ave.

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11/8/2007