

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-5765
Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

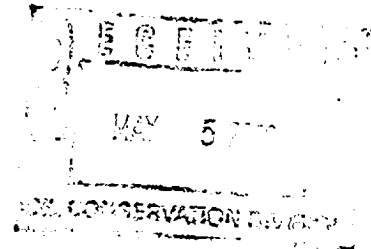
MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

May 4, 2000

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Attn: Lori Wrotenbery

Re: Requested Shut-in of: Mayfly 14 State Com Well No. 1
David H. Arrington Oil and Gas, Inc.
Unit D, Section 14, Township 16 South, Range 35 East
Lea County, New Mexico

Dear Ms. Wrotenbery:

We have been informed that the above mentioned well is currently producing from the Townsend Morrow gas pool with a W2 dedication in said Section 14. We currently recognize an existing communitization agreement for the Morrow formation for the W2 of said Section 14 for the Monsanto State Com Well No. 1, operated by Five States Operating Company. This well is located in Unit K.

The different Mayfly 14 State Com Well No.1 operator is not allowed under OCD Rule 104.C.2.c, which specifically disallows more than one operator within the same pool of completion for the assigned proration unit. Therefore, please initiate the necessary action to shut-in the Mayfly 14 State Com Well No. 1 until this situation is remedied. The Commissioner of Public Lands will recognize either of these two parties as the communitization operator.

Please notify us as to which company will be the operator of record for the wells in order for us to update our communitization records for proper royalty distribution.

Please contact Jeff Albers at (505) 827-5759 if you have any questions.

Sincerely,

JAMI BAILEY, Director
Oil, Gas & Minerals Division
(505) 827-5744
JB/ja

*Change of operator -
May 11, 2000 to
David Arrington Oil & Gas
now have same operator
in proration unit
Chris W.*

"WE WORK FOR EDUCATION"

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148

