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FAX TRANSMITTAL COVER SHEET

Date: December 6, 2000

__Urgent

___Routine

Time: 1:45 p.m. (New Mexico time)

Number of Pages 5 (Including Cover Sheet)

Message to: Jeff Bane

FAX Number: (915) 682-4139

Message From: Casey Barthel

Telephone Number:(505) 393-0505 / Fax Number (505) 397-2646

Re: Extraterritorial Variances in Lovington, New Mexico

Comments: In accordance with our telephone conversation, being faxed herewith are copies of the Resolutions passed by the Lovington-Lea County Extraterritorial Zoning Authority for the Gold-ribbed Hare's Ear #1 and the Royal Stimulator #1.

If transmission problems, contact Janice at (505) 393-0505.

The information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the Individual or entity named above. If the receiver of this message is not the intended recipient, or the employee or agent dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to use the above address via the U. S. Postal Service. Thank

RESOLUTION OF THE LOVINGTON-LEA COUNTY EXTRATERRITORIAL ZONING AUTHORITY

At the meeting of the Lovington-Lea County Zoning Authority held on November 27, 2000 the following action was taken:

WHEREAS, David II. Arrington Oil and Gas, Inc., has filed a Petition for variance to drill an Oil and /or gas well within the R-1 Single Family Residential Dwelling Zone located in the Southeast Quarter of the Northwest Quarter (SE/4 SE/4) Section 35, Township 15 South, Range 35 East N.M.P.M., to be known as the Gold-ribbed Hare's Ear #1, and

WHEREAS, Petitioner has complied with legal requirements of Notice to nearby and adjoining landowners; and

WHEREAS, the Lovington-Lea County Exterritorial Zoning Authority has found said use to be beneficial; and

WHEREAS, enforcing the restrictions of R-1 Single Family Residential Zone, which forbids the drilling of said well at said site, would create unnecessary hardship upon Petitioner;

WHEREAS, the Lovington-Lea County Extra-territorial Zoning Commission has recommended approval of the Zoning Variance requested subject to certain conditions it has found reasonable and proper for the protection of the nearby and adjoining landowners.

NOW, THERFORE, BE IT RESOLVED that the Lovington-Lea County Extraterritorial Zoning Authority grants a variance to David H. Arrington Oil and Gas, Inc. to drill, operate and maintain an oil and/or gas well, at the above described location, but only upon the following conditions:

- The surface Location shall be located 440 Feet from the South Line and 770 Feet I. from the East Line of Section 35, T15S R35E. N.M.P.M.
- 2. Petitioner shall comply with the Lovington-Lea County Zoning Ordinances number 3 and number 5.
- 3. Ingress and egress to and from the site shall be worked out with the surface owner.
- 4. A six foot chain link Security fence shall be installed around the pumping unit and a security fence adequate to satisfy requirements of Ordinance #3 shall be installed around the tank batteries.
- 5. Tank batteries shall be out of sight.

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- 6. Product pickup shall occur only during daylight hours
- 7. Once the well is completed, gas quality shall be tested periodically and monitors shall be installed if H2S of 5ppm or greater is present,
- 8. If the well is attached to a gas pipeline, a monitoring system shall be installed to sound warning if compression on line goes down.
- 9. Braden Heads shall not be removed until the well is plugged.
- 10. Water samples shall be taken prior to drilling to establish a benchmark for area water wells and shall continue to be tested until the well is plugged and abandoned. Chesapeake Operating Inc. shall be responsible for all costs and fees of testing

DATED THIS 27th day of November 2000.

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LOVINGTON-LEA COUNTY EXTRA-TERRITORIAL ZONING AUTHORITY

By:

Chairman Ross Black

ATTEST: PAT CHAPELLE, Lea County Clerk

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