TO: THE LOVINGTON-LEA COUNTY EXTRATERRITORIAL ZONING AUTHORITY

IN THE MATTER OF THE PETITION) OF DAVID H. ARRINGTON OIL & GAS,) INC., A TEXAS CORPORATION,) FOR A VARIANCE TO THE CITY OF) LOVINGTON-LEA COUNTY) EXTRATERRITORIAL ZONING ORDINANCE)

PETITION FOR VARIANCE TO CITY OF LOVINGTON-LEA COUNTY EXTRATERRITORIAL ZONING ORDINANCE

COMES NOW Petitioner, David H. Arrington Oil & Gas, Inc., a Texas corporation, whose address is P. O. Box 2071, Midland, Texas, 79702-2071, by and through its attorneys, Maddox & Holloman, P. C., of Hobbs, New Mexico, and presents this Petition for a Variance to the City of Lovington-Lea County Extraterritorial Zoning Ordinance (the "Ordinance"), for the purpose of drilling, and subsequently equipping and operating an oil and/or oil and gas well on certain property included in the area covered by the Ordinance (such proposed well referred to herein as the Gold-ribbed Hare's Ear #1), and if a producing oil and/or gas well is made, then of equipping, maintaining, and improving oil and/or oil and gas production, storage, and other facilities thereon for the production, storage, and removal for marketing of product therefrom. In support of its Petition, Petitioner states as follows:

1. That David H. Arrington Oil & Gas, Inc. is an owner of an interest in the oil and gas leasehold estate applicable to the oil, gas and other minerals in, under, and that may be produced from, in part, certain lands located in the Southeast Quarter of the Southeast Quarter (SE/4SE/4) of Section 35, Township 15 South, Range 35 East,

N.M.P.M., Lea County, New Mexico ("Property"). The Petitioner is not only an owner of a working interest in the Property but also is the proposed operator for the Gold-ribbed Hare's Ear #1. Pursuant to its rights, duties and obligations as an owner of an interest in the oil and gas leasehold estate under the Property and/or as operator, Petitioner proposes to drill and complete as a producer an oil and/or gas well within the Property at a surface location which lies within the area covered by the Ordinance, zoned single family residential (R-1), and being more particularly described as situated at a point in the Southeast Quarter of the Southeast Quarter (SE/4SE/4) of Section 35, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, at a surface location which is planned to lie 440 feet from the East line and 770 feet from the South line of Section 35, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, or at another point anywhere within a radius of 100 feet from the proposed site, considering geologic and seismic information. Petitioner contemplates that its principal surface usage with regard to drilling, equipping and moving oil and/or gas products from the well, if successfully completed, would not exceed approximately two and one-half (2 1/2) acres surrounding the drilling site located in the Southeast Quarter of the Southeast Quarter (SE/4SE/4) of Section 35, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, plus incidental easements.

2. The surface location upon which the proposed well would be drilled by the Petitioner or Petitioner's contractor is located on a tract of land owned by the State of New Mexico, whose address is 1625 N. French Drive, Hobbs, New Mexico 88240, subject to

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grazing rights held by Snyder Ranches, Inc., whose address is P. O. Box 2158. Hobbs, New Mexico, 88241-2158, all as is shown by the records of the Treasurer of Lea County, New Mexico. Attached as Exhibit "A" is a topographic map of the broad general area showing the proposed location of the Gold-ribbed Hare's Ear #1 relative to the City of Lovington. Attached as Exhibit "B" is a map showing the proposed location of the Goldribbed Hare's Ear #1 relative to the Extraterritorial Zone.

3. The names of landowners other than as set forth in paragraph 2, who are within, or who may be within, 100 feet of the proposed drilling location and area for which a variance is sought, exclusive of public right-of-way, as shown by the records of the Treasurer of Lea County, New Mexico, are as follows:

None

4. General use of land in the area is primarily grazing pasture.

5. Prior to the hearing before the Extraterritorial Zoning Commission, Petitioner will present as required, the following maps, documents, evidence, and support: Map of the general area designating the subject area; list of land ownership within 100 feet, excluding public roadway; map designating location of each subject landowner; copy of the notice to be sent to each landowner; proof of mailing notice to landowners and Affidavit of Publication of Notice.

6. The proposed surface location for the drilling of the Gold-ribbed Hare's Ear # 1 is zoned single family residential (R-1) under the Lovington--Lea County Extraterritorial Zoning Ordinance; however, by reason of exceptional topographical, geological and seismological conditions peculiar to the location of the interest in the minerals owned by the Petitioner, and also peculiar to the surface of the area involved, the strict application of the Lovington-Lea County Extraterritorial Zoning Ordinance would prevent oil and gas drilling at the proposed drilling site and result in peculiar and exceptional and undue hardship upon the Petitioner and the owner of the oil, gas and other mineral estate in and under the Property, and a variance from such strict application of the Lovington--Lea County Extraterritorial Zoning Ordinance should be granted so as to relieve such difficulties and hardships and to allow the drilling and completion of the oil and/or gas well at the location hereinabove described, and the subsequent equipping, operating, maintaining, and improvement of such well, including facilities for the production, storage, and removal for marketing of product therefrom.

WHEREFORE, Petitioner requests a variance to the Lovington--Lea County Extraterritorial Zoning Ordinance to allow the drilling, and if the drilling is successful, the completion, equipping, operating and maintenance of the oil and/or oil and gas well, and related facilities at the drilling and surface location generally described above, it being requested that the variance also include the right of the Petitioner and its successors and assigns to drill such well, complete it, equip it, and if successful, to maintain, operate, and improve such well and the production, storage, and transportation facilities and equipment thereon to remove product therefrom. Petitioner requests that the Extraterritorial Zoning Commission call a meeting upon proper notice to consider this Petition at its earliest convenience and that it recommend to the Extraterritorial Zoning Authority that the Petition be granted as requested. Petitioner requests that the Extraterritorial-Zoning Authority upon proper notice and hearing finally approve the requested variance.

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DATED this 17th day of October, 2000.

MADDOX & HOLLOMAN, P. C.

Casey A. Barthel P. O. Box 2508 Hobbs, New Mexico 88241-2508 Attorneys for David H. Arrington Oil & Gas, Inc.

STATE OF NEW MEXICO

COUNTY OF LEA

CASEY A. BARTHEL, being first duly sworn upon her oath, deposes and states: That she is a duly licensed and practicing attorney at law in Hobbs, New Mexico, and that she has been employed by, and that she is the attorney for, David H. Arrington Oil & Gas, Inc., the Petitioner in the foregoing Petition; that the undersigned has read the foregoing Petition, knows and understands the contents thereof and that the matters and things stated therein are true and correct to the best/of her information and belief.

))ss)

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SUBSCRIBED AND SWORN TO before me this 17th day of October, 2000.



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NOTARY PUBLIC



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TO: THE LOVINGTON-LEA COUNTY EXTRATERRITORIAL ZONING AUTHORITY

IN THE MATTER OF THE PETITION) OF DAVID H. ARRINGTON OIL & GAS,) INC., A TEXAS CORPORATION,) FOR A VARIANCE TO THE CITY OF) LOVINGTON-LEA COUNTY) EXTRATERRITORIAL ZONING ORDINANCE)

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FIRST AMENDMENT TO PETITION FOR VARIANCE TO CITY OF LOVINGTON-LEA COUNTY EXTRATERRITORIAL ZONING ORDINANCE

COMES NOW Petitioner, David H. Arrington Oil & Gas, Inc., a Texas corporation, by and through its attorneys, Maddox & Holloman, P. C., of Hobbs, New Mexico, and presents this First Amendment to Petition for Variance to City of Lovington-Lea County Extraterritorial Zoning Ordinance, and in support thereof states as follows:

1. David H. Arrington Oil & Gas, Inc. filed its Petition for Variance to the City of

Lovington-Lea County Extraterritorial Zoning Ordinance on October 17, 2000 ("Original

Petition"), for the purpose of drilling and subsequently equipping and operating an oil

and/or gas well (such proposed well referred to herein as the Gold-ribbed Hare's Ear #1)

within the following property located in the area covered by the City of Lovington-Lea

County Extraterritorial Zoning Ordinance:

Southeast Quarter of the Southeast Quarter (SE/4SE/4) of Section 35, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, at a surface location 440 feet from the East line and 770 feet from the South line.

2. The proposed site for the Gold-ribbed Hare's Ear #1 was inadvertently designated at the wrong location. The location of the Gold-ribbed Hare's Ear #1 should be

440 feet from the South Line and 770 feet from the East line of Section 35, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, or at another point anywhere within a radius of 100 feet from the proposed site, considering geologic and seismic information.

3. All remaining provisions of the Original Petition are ratified and confirmed.

WHEREFORE, Petitioner requests a variance to the Lovington-Lea County Extraterritorial Zoning Ordinance to allow the drilling of the Gold-ribbed Hare's Ear #1 at the drilling and surface location generally described above. Petitioner requests that the Extraterritorial Zoning Commission consider its Petition and this First Amendment to the Petition and that it recommend to the Extraterritorial Zoning Authority that the variance be granted as requested. Petitioner requests that the Extraterritorial Zoning Authority, upon proper notice and hearing finally approve the requested variance.

DATED this 2nd day of November, 2000.

MADDOX & HOLLOMAN, P. C.

Casey A. Barthel // P. O. Box 2508 Hobbs, New Mexico 88241-2508 (505) 393-0505 Attorneys for David H. Arrington Oil & Gas, Inc.

STATE OF NEW MEXICO

COUNTY OF LEA

) ss.

CASEY A. BARTHEL, being first duly sworn upon her oath, deposes and states: That she is a duly licensed and practicing attorney at law in Hobbs, New Mexico, and that she has been employed by, and that she is the attorney for, David H. Arrington Oil & Gas, Inc., the Petitioner in the foregoing First Amendment to Petition; that the undersigned has read the foregoing First Amendment to Petition; knows and understands the contents thereof and that the matters and things stated therein are true and correct to the best of her information and belief.

CASEY A. BAF

SUBSCRIBED AND SWORN TO before me this 2nd day of November, 2000.

ano, btarv Public

Av Commission Expires:

NOTICE OF MEETING OF LOVINGTON-LEA COUNTY EXTRATERRITORIAL ZONING AUTHORITY

To: State of New Mexico 1625 N. French Dr. Hobbs, New Mexico 88240

NOTICE IS HEREBY GIVEN, pursuant to NMSA 1978, § 3-21-6 (B) (1981), that

upon attached Petition and First Amendment to Petition of David H. Arrington Oil & Gas,

Inc., a Texas corporation ("Petitioner"), for a variance to the City of Lovington-Lea County

Extraterritorial Zoning Ordinance, the Lovington-Lea County Extraterritorial Zoning

Commission met on November 2, 2000, to consider a request by Petitioner to:

Grant a variance to the City of Lovington-Lea County Extraterritorial Zoning Ordinance for the purpose of allowing David H. Arrington Oil & Gas, Inc., a Texas corporation, to drill, equip, and operate an oil and/or gas well on certain lands located in the Southeast Quarter of the Southeast Quarter (SE/4SE/4) of Section 35, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, at a surface location which is planned to lie 440 feet from the South line and 770 feet from the East line of said Section 35, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, or at another point anywhere within a radius of 100 feet from the proposed site, considering geologic and seismic information; and that its principal surface usage with regard to drilling, equipping, storing and moving oil and/or gas products from the well, if successfully completed, would not exceed approximately two and one-half (2½) acres surrounding the drilling site, plus incidental easements, to equip and operate such well with related production equipment, storage facilities, and facilities for the removal of product therefrom.

The Petition and First Amendment to Petition and recommendation by the

Lovington-Lea County Extraterritorial Zoning Commission to the Lovington-Lea County

Extraterritorial Zoning Authority to approve said Petition and First Amendment to Petition

(with Petitioner to comply with the conditions contained in Exhibit "A") will be heard and

acted upon by the Lovington-Lea County Extraterritorial Zoning Authority at 8:30 a.m. on

November 27, 2000, in the Chambers of the County Commission in the Lea County

Courthouse at 100 North Main, Lovington, Lea County, New Mexico.

All parties who wish to attend and be heard should be present at said time and place.

DATED this 8th day of November, 2000.

MADDOX & HOLLOMAN, P. C.

BY CASEY A. BARTH

P. O. Box 2508 Hobbs, New Mexico 88241-2508 Attorneys for David H. Arrington Oil & Gas, Inc.

EXHIBIT "A"

RECOMMENDED CONDITIONS TO VARIANCE SOUGHT BY DAVID H. ARRINGTON OIL & GAS, INC. REGARDING WELL IN SECTION 35, TOWNSHIP 15 SOUTH, RANGE 35 EAST

- 1. Ordinance #3 and subsequent Ordinance #5 will be complied with.
- 2. Braden Heads should not be removed.
- 3. Once the well is completed, testing of H_2S to be conducted and monitors to be installed if levels reach 5ppm.
- 4. Tank batteries should be placed out of sight to be least noticeable.
- 5. Products must be picked up during the daytime or in a manner to insure vehicle lights do not shine on houses.
- 6. Security fences should be installed upon completion to eliminate trespassing. A 6foot chain link with barbed wire on top around the pumping unit and a secure fence around the tank battery.
- 7. Water samples should be taken prior to drilling to establish a benchmark for area water wells if any wells are down gradient, with testing to continue until the oil and/or gas well is closed. (The fee for this testing will be the responsibility of the Petitioner.)



WILL BE RELEASED