

DAVID H. ARRINGTON OIL & GAS, INC.

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April 10, 2002

Mr. Paul Kautz
Oil Conservation Division
District I
P. O. Box 1980
Hobbs, NM 88241

Re: Blue Drake "23" Well No. 1
Section 23: E/2
Township 16 South, Range 35 East, N.M.P.M.
Lea County, New Mexico
API No. 30-025-35644

Dear Mr. Kautz:

Please be advised that pursuant to correspondence with TMBR/Sharp Drilling, Inc. and in testimony before the Oil Conservation Commission on March 26, 2002, David H. Arrington Oil & Gas, Inc. has agreed to release the above captioned drilling permit to allow for the approval of TMBR/Sharp Drilling, Inc.'s drilling permit in the same spacing unit.

Very truly yours,


Bill Baker