

214 West Texas  
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Midland, Texas 79702

**DAVID H. ARRINGTON OIL & GAS, INC.**

Area Code: 915  
Phone : 682-6685  
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February 27, 2002

Oil Conservation Division  
Attn: Mr. Chris Williams  
1625 N. French Dr.  
Hobbs, NM 88240

Re: Well Repair and Work-Over  
Ralph Davis #1 – 330' FEL & 990' FSL, Sec. 29, T18S, R39E (Lot 4, Unit O)  
Lea County, New Mexico  
Hobbs East Field

Ladies and Gentlemen:

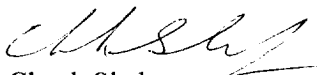
David H. Arrington Oil & Gas, Inc. ("Arrington"), PO Box 2071, Midland, Texas 79702, has conducted a geological and engineering review of the captioned well and determined that the Queen formation has potential for gas production. A gas well at this depth requires a 160-acre spacing unit. As you are aware, this lease is located on the extreme eastern edge of Lea County, against the Texas State Line. All the available acreage for a spacing unit in the SE/4 of Section 29 is 51.95 acres. Arrington has been in communication with legal counsel concerning filing an application for a non-standard spacing unit. A copy of that letter is enclosed.

Arrington is in the process of filing a sundry notice for the work-over in the Queen sand at approximately 3900', filing an application for a non-standard proration unit with the OCD in Santa Fe, and notifying offset operators.

Arrington therefore requests an extension for the work-over of the captioned well until the OCD grants an approved non-standard spacing unit order and sufficient time to commence operations on said well. It is Arrington's intention to commence operations as soon as practical after receiving an approved order.

Should you have any questions please feel free to call.

Yours very truly,  
DAVID H. ARRINGTON OIL & GAS, INC.

  
Chuck Sledge

/jrm  
Enclosures

