STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF DAVID H. ARRINGTON OIL AND GAS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE No. 13659

RESPONSE TO EOG RESOURCES, INC.'S MOTION FOR CONTINUANCE

David H. Arrington Oil and Gas Inc., the Applicant in this compulsory pooling proceeding, for its response to Motion for Continuance filed on behalf of EOG Resources, Inc., states:

- 1. By its Application filed with the Division on February 13, 2006, Applicant seeks an order pooling all unjoined interests in all 320-acre units underlying the E/2 of Section 77, Township 17 South, Range 24 East which will be dedicated to Applicant's Wonder Bunny 1H Well to be drilled from a surface location 1880' FEL and 660' FSL to a bottom hole location 1880' FEL and 660' FNL to test the Wolfcamp formation. Arrington was the first to propose a Wolfcamp well which it plans to drill on its own acreage in the E/2 of said Section 17. EOG Resources, Inc., however, has been unresponsive to the efforts made by Arrington to gain EOG's voluntary participation in the well.
- 2. In December of 2005 and without notice to Arrington, EOG filed for and obtained approvals for APD's for two well locations on Applicant's lease lands. However, EOG's December, 2005 APD's are of absolutely no consequence. Division precedent makes clear that no weight is to be accorded to the fact that one party filed for its APD's first. See Section IV H, Order No. R-12343-B, Case No. 13493, Application of Chesapeake Permian, L.P. for

Compulsory Pooling, Lea County, New Mexico. Stakes for well locations corresponding with the APD's obtained by EOG were discovered during the course of an onsite inspection of the surface by Arrington personnel in January 2006. Subsequent efforts to obtain EOG's cooperation and its voluntary participation in Applicant's well have been unsuccessful.

3. EOG has known since approximately February 13, 2006 that the hearing on Arrington's Application for Compulsory Pooling was set to be heard on March 16, 2006. EOG has also known since February 24, 2006, the day it filed its own Application for Compulsory Pooling, that its case could be heard no sooner than March 30, 2006. Consequently, EOG's efforts to delay the hearing on Arrington's Application, made just days before the matter is set for hearing on March 16, 2006 is untimely. A continuance would upset the schedules and travel plans of the Applicant's witnesses and interferes with the schedule of Applicant's counsel. Moreover, continuing the hearing in this matter would only delay rather than hasten the resolution of this dispute.

WHEREFORE, David H. Arrington Oil and Gas, Inc. asks that EOG Resources, Inc.'s Motion for Continuance be denied.

Respectfully submitted;

By:

J. Scott Hall, Esq. Miller Stratvert P.A.

Post Office Box 1986 Santa Fe, New Mexico 87504

(505) 989-9614

Attorneys for David H. Arrington Oil and Gas, Inc.

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Certificate of Mailing

I hereby certify that a true and correct copy of the foregoing was delivered to counsel of record on the 14th day of March, 2006, as follows:

Gayle MacQuesten, Esq. New Mexico Oil Conservation Division 1220 St. Francis Dr. Santa Fe, New Mexico (505) 476-3462/Facsimile

William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 983-6043/Facsimile

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J. Scott Hall