

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

IN THE MATTER OF THE APPLICATION
OF EOG RESOURCES, INC. FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 13680

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of David H. Arrington Oil and Gas, Inc., as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

William F. Carr, Esq.
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Post Office Box 2208
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APPLICANT

EOG Resources, Inc.

OPPONENT'S ATTORNEY

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OPPONENT

David H. Arrington Oil & Gas, Inc.

OTHER PARTY'S ATTORNEY

OTHER PARTY

2006 MAR 24 PM 8 24

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the spacing and proration unit/horizontal well Project Area comprised of the S/2 of Section 15, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico, for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Collins Ranch-Wolfcamp Gas Pool. This spacing unit/horizontal well Project Area is to be dedicated to the Hudson "15" Federal Com No. 1H to be drilled from a standard gas well surface location 760 feet from the South line and 660 feet from East line and then horizontally drilled in the Wolfcamp formation in a westerly direction to a projected bottomhole location 760 feet from the South line and 660 feet from the West line of said Section 15 at a total vertical depth of approximately 5,400 feet. The well will test all formations from the surface through the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Artesia, New Mexico.

OPPOSITION OR OTHER PARTY

David H. Arrington Oil and Gas, Inc. is an interest owner in the S/2 of said Section 15 also proposing to drill and operate its Wolfcamp formation well. Arrington opposes the Application of EOG Resources.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

NO. OF EXHIBITS

OPPOSITION

WITNESSES

EST. TIME

NO. OF EXHIBITS

Jamey Lucas, Landman

30 minutes

6

PROCEDURAL MATTERS

The parties have agreed to continue the case for two weeks in order to discuss settlement.

MILLER STRATVERT P.A.

By: J. Scott Hall

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Attorneys for David H. Arrington Oil
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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 23 day of March, 2006, as follows:

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