

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING:**

**APPLICATION OF DAVID H. ARRINGTON
OIL & GAS, INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 14497

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Monty Kastner
David H. Arrington Oil & Gas, Inc.
500 West Wall Street, Suite 300
Midland, TX 79701
(915) 682-5565

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing unit located in the S/2 of Section 26, Township 15 South, Range 34 East, N.M.P.M., Lea County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent including the North Eidson Morrow Gas Pool, the Undesignated North Hume Morrow Gas Pool and the Undesignated Grassland Austin Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent. Said unit is to be dedicated to its Green Eyed Squealy Worm Well No. 1 to be re-entered 1974 feet from the South line and 1129 feet from the East line of said Section 26. 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 David H. Arrington Oil & Gas Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles West of Lovington, New Mexico.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Monty W. Kastner Landman	Approx. 20 Minutes	Approx. 6
Brian Ball Geologist	Approx. 25 Minutes	Approx. 5
Art Carrasco Engineer	Approx. 20 Minutes	Approx. 5

PROCEDURAL MATTERS

David H. Arrington Oil & Gas Inc. has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

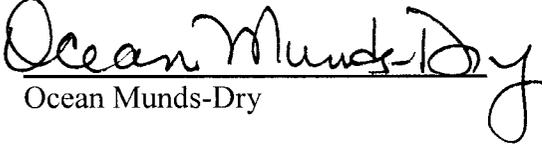
By: Ocean Munds-Dry
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**ATTORNEY FOR
DAVID H. ARRINGTON OIL & GAS INC.**

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of June, 2010, I have caused to be delivered by Facsimile a copy of the **Pre-Hearing Statement** in the above mentioned case to the following counsel of record:

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87501
(505) 982-2043
(505) 982-2151


Ocean Munds-Dry