

**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:

CASE NO. 11994

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

OIL CONSERVATION DIV.
98 JUL -6 PM 3:16

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

David H. Arrington Oil & Gas, Inc.
c/o David H. Arrington
Post Office Box 2071
Midland, TX 79702
(915) 682-6685

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

INTERESTED PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

David H. Arrington Oil and Gas, Inc., applicant in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, Townsend-Morrow Gas Pool, underlying Lots 9 through 16 for all formations developed on 320-acre spacing, Lots 11 through 14 for all formations developed on 160-acre spacing, Lots 13 and 14 for all formations developed on 80-acre spacing and Lot 14 for all formations developed on 40-acre spacing, all in Section 3, Township 16 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Parachute Hopper Well No. 1 to be drilled at a standard gas well location 3510 feet from the South line and 1650 feet from the West line of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

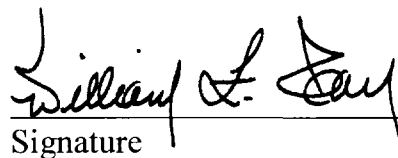
| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|-----------------|
| Dale Douglas, Landman | 10 Min. | Approximately 5 |
| Bill Baker, Geologist | 10 Min. | Approximately 2 |

OTHER PARTY

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature