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April 20, 1999

HAND-DELIVERED

Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87505 12180

Re: Application of David H. Arrington Oil & Gas, Inc. for Approval of a Unit Agreement, Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of David H. Arrington Oil & Gas, Inc. the above-referenced case as well as a copy of the legal advertisement. David H. Arrington Oil & Gas, Inc. respectfully requests that this matter be placed on the docket for the May 13, 1999, Examiner hearings.

V¢ry truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc: Mr. Bill Baker, Jr.

David H. Arrington Oil & Gas, Inc.

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 & GAS, INC. FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

torneys, hereby makes

APPLICATION

David H. Arrington Oil & Gas, Inc., through its undersigned attorneys, hereby makes application for an order approving its Brassy Deep Exploratory Unit Agreement and in support of this application states:

1. That the proposed Unit Agreement consists of 640 acres, more or less, of State and Fee lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 16 South, Range 36 East, N.M.P.M.

Section 33:

E/2

Section 34:

W/2

- 2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.
- 3. The Applicant, David H. Arrington Oil & Gas, Inc., is designated as Unit

 Operator in said Unit Agreement and all oil and gas in all formations from the base of the

 Strawn formation to the top of the Mississippian formation are unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological

structures or anomaly involved.

5. Prior to hearing the proposed Unit Agreement will be reviewed with the State

Land Office for its approval as to form and content.

6. Said Unit Agreement and the unitized operation and management of the Unit

Area will be in the interest of conservation and the prevention of waste, and that it will

protect the correlative rights of all parties concerned.

WHEREFORE, David H. Arrington Oil & Gas, Inc. requests that this application be

set for hearing before an Examiner of the Oil Conservation Division on May 13, 1999, that

notice be given as required by law and the rules of the Division, and that the Brassy Deep

Exploratory Unit be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

 $\mathbf{R}\mathbf{v}$.

WILLIAM F. CARR

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ATTORNEYS FOR DAVID H. ARRINGTON OIL & GAS, INC.