

**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. 12274

APPLICATION OF DAVID H. ARRINGTON OIL & GAS, INC.
FOR COMPULSORY POOLING, DIRECTIONAL DRILLING,
AND AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIV
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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 J. Arrington Oil & Gas, Inc.
Attn: David H. Arrington
P.O. Box 2071
Midland, Texas 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

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SE/4 NE/4 for all formations developed on 40-acre spacing, Section 29, Township 15 South, Range 36 East. Applicant proposes to dedicate this pooled unit to its Prince Nymph Well No. 1-A which will be drilled by re-entering the Prince-Nymph Well No. 1 located 2308 feet from the South line and 943 feet from the East line in Unit 1 of Section 29 and kicking off and directionally drilling in a northerly direction to an unorthodox bottomhole location within 50 feet of a point 2440 feet from the North line and 866 feet from the East line in Unit H of Section 29 provided, however, the bottomhole location shall not be closer than 200 feet to the southern boundary of the dedicated 40-acre spacing unit. Also to be considered will be the costs 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 operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 2 miles northeast of Lovington, New Mexico.

OPPOSITION OR 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

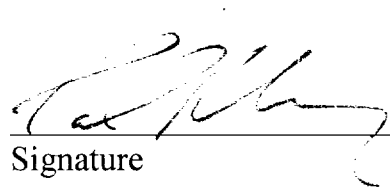
APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Dale Douglas (Landman)	10 minutes	Approximately 6
Bill Baker (Geologist)	10 minutes	Approximately 3

OPPOSITION

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



Signature