

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

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W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

November 8, 1999

**HAND DELIVERED**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

# 12294

99 NOV -9 AM 11:24  
OIL CONSERVATION DIV.

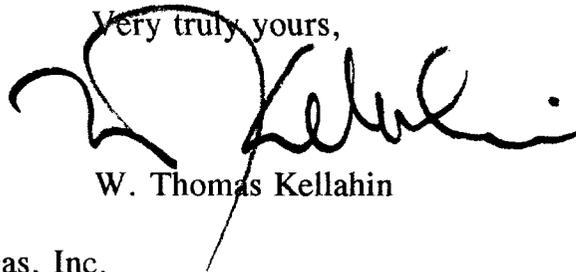
Re: Application of David H. Arrington Oil & Gas,  
Inc. for a special project allowable for a  
directional wellbore, or in the alternative, to  
amend Rule 6 of the special pool rules  
for the North Shoe Bar-Strawn Pool,  
Lea County, New Mexico.

Dear Ms. Wrotenbery:

On behalf of David H. Arrington Oil & Gas, Inc., please find  
enclosed our application in the referenced case which we request be set on  
the next available examiner's docket now scheduled for December 2, 1999.

Also enclosed is our proposed notice for publication.

Very truly yours,



W. Thomas Kellahin

cfx: David H. Arrington Oil & Gas, Inc.  
Attn: Bill Baker

## PROPOSED ADVERTISEMENT

CASE 17241 Application of David H. Arrington Oil & Gas, Inc. for a special project allowable for a directional wellbore or, in the alternative, to amend Rule 6 of the special pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant seeks, effective as of October 1, 1999, the assignment of a special project oil allowable of 890 barrels of oil per day for its Mayfly "14" State Com Well No. 2, a directional wellbore located in Units A and B of Section 14, T16S, R35E, or in the alternative, to amend Rule 6 of these pool rules, effective as of October 1, 1999, to increase the depth bracket oil allowable from 605 barrels of oil per day to 890 barrels of oil per day. This pool is located within portions of Sections 13 and 14, T16S, R35E, NMPM and is approximately 4 miles southeast from Lovington, New Mexico.

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

**APPLICATION OF DAVID H. ARRINGTON  
OIL & GAS, INC. FOR A SPECIAL PROJECT OIL  
ALLOWABLE FOR A DIRECTIONAL WELLBORE OR,  
IN THE ALTERNATIVE, TO AMEND RULE 6 OF THE  
SPECIAL POOL RULES FOR THE NORTH SHOE BAR-STRAWN POOL,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 1299

**A P P L I C A T I O N**

Comes now David H. Arrington Oil & Gas, Inc. ("Arrington") by its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation for a special project oil allowable of 890 barrels of oil per day for its Mayfly "14" State Com Well No. 2, a directional wellbore located in Units A and B of Section 14, T16S, R35E, or in the alternative, to amend Rule 6 of these pool rules to increase the depth bracket oil allowable from 605 barrels of oil per day to 890 barrels of oil per day, and in support thereof states:

1. On September 22, 1999, Arrington completed its Mayfly "14" State Com Well No. 2, (API No. 30-025-34630) ("the Mayfly 2 well") which is a "directional" wellbore with a surface location 660 feet from the North line and 2060 feet from the East line and a bottomhole location 660 feet from the North line and 660 feet from the East line (Units A and B) of Section 14, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico. **See Exhibit "A"**
2. This well produces oil from the Strawn formation and is currently included in the North Shoe Bar-Strawn Oil Pool.
3. Currently, the North Shoe Bar-Strawn Pool rules provide:
  - (a) 160-acre oil spacing and proration units;

- (b) well locations within 150 feet of the center of a governmental quarter section;
- (c) a special limiting gas oil ratio of 4,000 cubic feet of gas per barrel of oil;
- (d) a special depth bracket maximum oil allowable of 605 barrels of oil per day per oil spacing unit; and
- (e) that each well completed or recompleted in this pool or the Strawn formation within one mile thereof, shall be spaced, drilled operated and produced in accordance with these special rules.

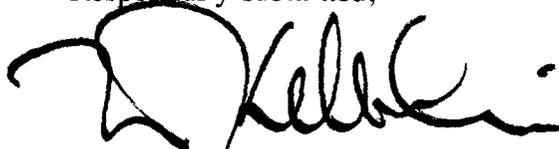
4. The Mayfly 2 well is capable of effectively and efficiently producing Strawn formation oil at rates of up to 890 barrels of oil per day which is in excess of this pool's current maximum oil allowable of 605 barrels of day and can do so without causing the waste of reservoir energy, reducing ultimate recovery or impairing correlative rights.

5. Accordingly, effective October 1, 1999, Arrington seeks either the adoption of a special project allowable of 890 barrels of oil per day for this well or in the alternative to amend Rule 6 of this pool to increase the depth bracket oil allowable from 605 to 890 barrels of oil per day.

6. In accordance with Division notice rules (Rule 1207.A(4)(b)), notification of this application and request for hearing to be held on December 2, 1999 has been sent to all operators in the pool within one mile of the outer boundary of the pool as set forth on Exhibit "B" attached.

Wherefore, Applicant's request that, after notice and hearing, this application be granted.

Respectfully submitted,



W. Thomas Kellahin  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504

**DISTRICT I**  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Form G-102  
Revised 02-10-94  
Instructions on back

**DISTRICT II**  
P. O. Drawer DD  
Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

**DISTRICT III**  
1000 Rio Brazos Rd.  
Aztec, NM 87410

AMENDED REPORT

**DISTRICT IV**  
P. O. Box 2088  
Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number		2 Pool Code		3 Pool Name			
4 Property Code		5 Property Name <b>MAYFLY '14' STATE COM</b>				6 Well Number <b>2</b>	
7 OGRID No.		8 Operator Name <b>DAVID H. ARRINGTON OIL &amp; GAS, INC.</b>				9 Elevation <b>3978'</b>	

**10 SURFACE LOCATION**

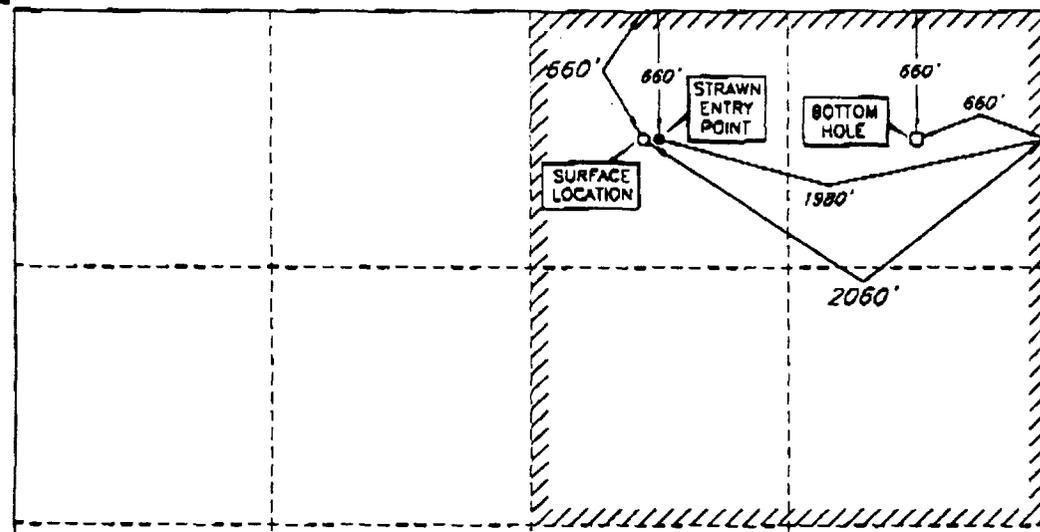
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	14	16 SOUTH	35 EAST, N.M.P.M.		660'	NORTH	2060'	EAST	LEA

**11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE**

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	14	16 SOUTH	35 EAST, N.M.P.M.		660'	NORTH	660'	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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**NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*  
Printed Name: **Eric Baker Jr**  
Title: **Exploration Manager**  
Date: **5-20-99**

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: **MAY 18, 1999**  
Signature and Seal: *[Signature]*  
Professional Surveyor: **ROGER M. ROBBINS**  
New Mexico Registered Professional Surveyor  
12128  
Certificate No. **12128**  
**ROGER M. ROBBINS**  
JOB #63596 V.H.S.

**EXHIBIT A**

**EXHIBIT "B"**

Chesapeake Operating, Inc.  
P. O. Box 18496  
Oklahoma City, OK 73154  
Attn: Lynda Townsend

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Attn: Randy Patterson

Merit Energy Company  
12222 Merit Dr. Ste 1500  
Dallas, Texas 75251