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#12297

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November 9, 1999

HAND-DELIVERED

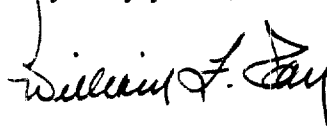
Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of David H. Arrington Oil & Gas, Inc. for Compulsory Pooling,
Eddy County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of David H. Arrington Oil & Gas, Inc. in the above-referenced case as well as a copy of a legal advertisement. David H. Arrington Oil & Gas, Inc. respectfully requests that this matter be placed on the docket for the December 2, 1999 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:md

Enclosures

cc: Dale Douglas (w/enclosures)

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

CS No. 11-9 P. 3: 55

**IN THE MATTER OF THE APPLICATION
OF DAVID H. ARRINGTON OIL & GAS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 12297

APPLICATION

DAVID H. ARRINGTON OIL & GAS, INC. ("ARRINGTON"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests from the surface to the base of the Morrow formation, Undesignated Foster Ranch-Morrow Gas Pool, in the W/2 for all formations developed on 320-acre spacing, in SW/4 for all formations developed on 160-acre spacing, in N/2 SW/4 for all formations developed on 80-acre spacing, and NE/4 SW/4 for all formations developed on 40-acre spacing in Section 28 Township 20 South, Range 24 East, NMPM, and in support thereof states:

1. Arrington is a working interest owner in said Section 28 and has the right to drill thereon.
2. Arrington proposes to dedicate the above-referenced spacing or proration units to its Orange Stimulator Caddis Federal Com Well No. 1 (formerly proposed as the Fat Albert Well No. 1) to be drilled to a standard location 1650 feet from the South line and 1980 feet from the West line of said Section 28, to a depth sufficient to test any and all formations to the base of the Morrow formation, Undesignated Foster Ranch-Morrow Gas Pool.

3. Arrington has sought and been unable to obtain either voluntary agreement for pooling or farmout from the interest owners in the subject spacing or proration units except for Santa Fe Energy Resources, Inc., 550 West Texas, Suite 1330, Midland, Texas 79701.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and David H. Arrington Oil & Gas, Inc. should be designated the operator of the well to be drilled.

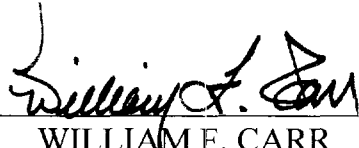
WHEREFORE, David H. Arrington Oil & Gas, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 2, 1999 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating David H. Arrington Oil & Gas, Inc. operator of these units and the well to be drilled thereon,
- C. authorizing Arrington to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by Arrington in drilling and

completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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

By: 
WILLIAM F. CARR

Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

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

CASE 1297

Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying W/2 for all formations developed on 320-acre spacing including but not necessarily limited to the Undesignated Foster Ranch-Morrow Gas Pool, SW/4 for all formations developed on 160-acre spacing, N/2 SW/4 for all formations developed on 80-acre spacing and NE/4 SW/4 for all formations developed on 40-acre spacing, all in Section 28, Township 20 South, Range 24 East, NMPM. Applicant proposes to dedicate this pooled units to its Orange Stimulator Caddis Federal Com Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1980 feet from the West line of said Section 28. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately ____ miles _____ of _____, New Mexico.