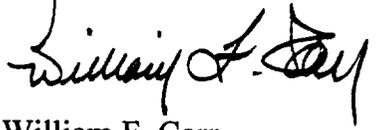


Chesapeake Operating Inc.  
 June 22, 2000  
 Page 2

This application has been set for hearing before a Division Examiner on July 13, 2000. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



William F. Carr  
 ATTORNEY FOR DAVID H. ARRINGTON  
 OIL & GAS, INC.

709 1400 107 03 03

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only - No Insurance Coverage Provided)

Article Sent To: WFC 590

Postage	\$ .55
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>

Chesapeake Operating, Inc.  
 P.O. Box 18496  
 Oklahoma City, OK 73154

VARGAS  
 INTA

[REDACTED] NON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Chesapeake Operating, Inc.  
 P.O. Box 18496  
 Oklahoma City, OK 73154

A. Received by (Please Print Clearly) OK Date of Delivery JUN 26 2000

C. Signature Brian [Signature]

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below: USPS

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Copy from service label) 7099 3400 0007 7003 7473

Collins & Ware  
 June 22, 2000  
 Page 2

This application has been set for hearing before a Division Examiner on July 13, 2000. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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Very truly yours,



William F. Carr  
 ATTORNEY FOR DAVID H. ARRINGTON  
 OIL & GAS, INC.

7099 3400 0007 7003 7466

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only: No Insurance Coverage Provided)

Article Sent To: WFC 590

Postage	\$ 1.55
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage</b>	<b>3.20</b>

VARGAS CTR STA  
 SANTA FE  
 Here  
 JUN 22 2000

Collins & Ware  
 303 W. Wall Street, Suite 2200  
 Midland, TX 79701

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
 Collins & Ware  
~~303 W. Wall Street, Suite 2200~~  
 Midland, TX 79701  
 508 W. WALL #1200

ON ON DELIVERY

A. Received by (Please Print Clearly) Dr. A. H. ... B. Date of Delivery 6-26-00

C. Signature [Signature]  Agent  Addressee

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Copy from service label) 7099 3400 0007 7003 7466

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS

JACK M. CAMPBELL  
1916-1999

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: law@westofpecos.com

June 22, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Robert L. Miller  
4519 Norma  
Fort Worth, TX 76103

Re: *Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, directional drilling of a horizontal well and a nonstandard spacing and proration unit, Lea County, New Mexico.*

Gentlemen:

This letter is to advise you that David H. Arrington Oil & Gas, Inc. filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface to the base of the Strawn formation, Northeast Lovington-Pennsylvanian Pool in the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing within said vertical extent and a 160-acre project area for a horizontal well comprised of a nonstandard spacing and proration unit comprised of two 80-acre spacing and proration units (W/2 SW/4 and E/2 SW/4) in Section 10, Township 16 South, Range 37 East, NMPM., Lea County, New Mexico. Arrington proposes to dedicate the referenced pooled unit to its proposed H&L Variance "10" Well No. 1 to be directionally drilled as a horizontal well in the Strawn formation in the SW/4 of said Section 10.

Robert L. Miller  
June 22, 2000  
Page 2

This application has been set for hearing before a Division Examiner on July 13, 2000. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



William F. Carr  
ATTORNEY FOR DAVID H. ARRINGTON  
OIL & GAS, INC.

1542 742  
FNNZ 7002  
QNNN 4000  
DQTF 6600  
1099

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only: No Insurance Coverage Provided)	
Article Sent To	
WFC 590	
Postage	\$ .55
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	3.20
DE VARGAS CTR STA SANTA FE NM Postmark Here JUN 22 2000 USPS - 87594	
Robert L. Miller 4519 Norma Fort Worth, TX 76103	
Instructions	

**Examiner Hearing – July 13, 2000**

**Docket No. 19-00**

**Page 7 of 8**

**Reopened**

**Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, directional drilling of a horizontal well and a nonstandard spacing unit, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation, Northeast Lovington-Pennsylvanian Pool, underlying the following described acreage in Section 10, Township 16 South, Range 37 East in the following manner: (a) the NW/4 SW/4 for any formation and/or pools developed on 40-acre spacing and (b) the SW/4 in order to form a 160-acre Project Area, as defined by Division Rule 111.A(7), by combining two standard 80-acre oil spacing and proration units in order to accommodate a horizontally drilled wellbore. The applicant proposes to vertically drill its H&L Variance "10" Well No. 1 at a surface location 2130 feet from the South line and 330 feet from the West line (Unit L) of Section 10 to an approximate depth of 11,600 feet, kick-off, and then drill horizontally in an easterly direction a lateral distance of 1400 feet through the Strawn formation. The applicable drilling window or producing area [see Division Rule 111.A(7)] for the proposed wellbore is to be standard for any 40-acre unit and 80-acre units per the outer setback requirements for 80-acre units in the subject pool. Also to be considered will the cost of drilling and completing this wellbore 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. The location of the proposed well is approximately six miles east of Lovington, New Mexico.

**CASE 12320: Reopened**

**Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico.** Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico

**CASE 12438: Readvertised**

Application of the Oil Conservation Division for an order requiring Salado Operating, L.L.C. to properly plug four wells, Eddy County, New Mexico. Applicant seeks an order requiring Salado Operating L.L.C. to appear and show cause why four (4) wells located in Section 2, Township 16 South, Range 30 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

**CASE 12456: Application of the Oil Conservation Division for an order requiring Strata Production Company to properly plug one well, Eddy County, New Mexico.** Applicant seeks an order requiring Strata Production Company to appear and show cause why one (1) well located in Section 32, Township 19 South, Range 29 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

**CASE 12457: Application of the Oil Conservation Division for an order requiring Jack J. Grynberg to properly plug five wells, Chaves County, New Mexico.** Applicant seeks an order requiring Jack J. Grynberg to appear and show cause why five (5) wells located in Sections 16 and 32, Township 5 South, Range 24 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

**CASE 12458: Application of the Oil Conservation Division for an order requiring D. W. Berry to properly plug one well in Chaves County and one well in Eddy County, New Mexico.** Applicant seeks an order requiring D. W. Berry to appear and show cause why one (1) well located in Section 8, Townships 17 South, Range 28 East, and one (1) well located in Section 2, Township 15 South, Range 29 East, Chaves County, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

***Examiner Hearing – July 13, 2000***

***Docket No. 19-00***

***Page 8 of 8***

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**CASE 12459:** **Application of the Oil Conservation Division for an order requiring I. T. Properties to properly plug one well, Eddy County, New Mexico.** Applicant seeks an order requiring I. T. Properties to appear and show cause why one (1) well located in Section 23, Township 19 South, Range 28 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

**CASE 12460:** **Application of the Oil Conservation Division for an order requiring Stephens & Johnson Operating Co. to properly plug two wells, Eddy County, New Mexico.** Applicant seeks an order requiring Stephens & Johnson Operating Co. to appear and show cause why two (2) wells located in Sections 12 and 13, Township 19 South, Range 28 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
  
JACK M. CAMPBELL  
1916-1999

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-1221  
FACSIMILE: (505) 983-6021  
E-MAIL: law@westofpecos.com

June 20, 2000

**HAND-DELIVERED**

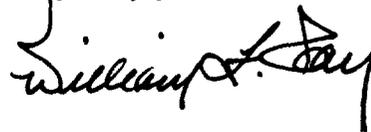
Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

***Re: Case 12313 (REOPENED): Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, directional drilling of a horizontal well and a nonstandard spacing and proration unit, Lea County, New Mexico.***

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Amended 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 July 13, 2000 Examiner Hearings.

Very truly yours,



William F. Carr

WFC/md  
Enclosures

cc: Bill Baker (w/enclosures)  
David H. Arrington Oil & Gas, Inc.

OIL CONSERVATION DIV.  
JUN 20 PM 1:47