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FAX COVER SHEET

DELIVER TO: David Catanach  
COMPANY: Oil Conservation Division  
CITY: Santa Fe, New Mexico  
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MEMO:

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May 2, 2000

Via Fax and U.S. Mail

David Catanach  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Catanach:

Enclosed is David H. Arrington Oil & Gas, Inc.'s response in opposition to Permian Resources, Inc.'s motion for a continuance.

Very truly yours,

  
James Bruce

Attorney for David H. Arrington  
Oil & Gas, Inc.

cc: Counsel of record

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF DAVID H. ARRINGTON OIL  
& GAS, INC. FOR AN UNORTHODOX GAS  
WELL LOCATION, LEA COUNTY, NEW MEXICO.**

**No. 12381**

**RESPONSE OF APPLICANT IN OPPOSITION TO A CONTINUANCE**

David H. Arrington Oil & Gas, Inc. ("Arrington") has applied for approval of an unorthodox gas well location in the E½ of Section 14, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Permian Resources, Inc. ("Permian") has requested that the case be continued to the June 1st hearing. Arrington objects to a further continuance of this matter, for the following reasons:

1. This case was originally scheduled to be heard on April 18th. Permian requested, and was granted, a continuance of the hearing until May 1st. One continuance is enough.

2. Permian states that Arrington will not be harmed by a four week continuance because it does not have Lea County/City of Lovington approval of the well. However, the proposed location is not within the boundaries of the Extraterritorial Zoning Authority.<sup>1</sup> Therefore, approval from Lea County/City of Lovington is not required.

3. Moreover, Yates Petroleum Corporation has just completed an offset well in the Morrow formation in the SE¼SE¼ of Section 11 (330 feet from the south line of the section), and Arrington will be drained the longer it takes to obtain approval of its well location. (Merit Energy Company, Permian's seller, consented to

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<sup>1</sup>Arrington confirmed this with the City of Lovington today. Section 14 of Township 16 South, Range 36 East (6 miles east of the proposed location) is within the Extraterritorial Zoning Authority's boundaries.

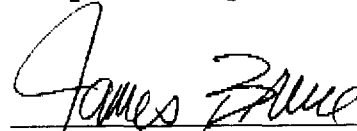
Yates' unorthodox location.)

4. Permian has signed a purchase and sale agreement on the offsetting acreage, and thus has a contractual interest in the property. It is not Arrington's fault if Permian cannot arrange to review geologic and engineering data in its seller's files. **Regardless, the logs and engineering data on wells in this area are a matter of public record.** Thus, access to the seller's records is irrelevant to a continuance.

5. Finally, Permian received notice of this case four weeks ago, and has had sufficient time to prepare for the hearing.

**WHEREFORE**, Arrington requests that the Division deny Permian's motion.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
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(505) 982-2043


Attorney for David H. Arrington Oil &  
Gas, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 2nd day of May, 2000, by facsimile transmission:

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James Bruce