

**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. 12591

OIL CONSERVATION DIV
01 FEB - 6 PM 3:24

**APPLICATION OF DAVID H. ARRINGTON
OIL & GAS, INC. FOR POOL CONTRACTION,
POOL EXTENSION, UNORTHODOX GAS WELL
LOCATION, AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

David H. Arrington Oil & Gas, Inc.
Attention: Bill Baker
Post Office Box 2071
Midland, Texas 79702
(915) 682.6685

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order contracting the Townsend-Morrow Gas Pool by deleting therefrom the W/2 of Section 14, Township 16 South, Range 35 East, and extending the North Shoe Bar-Atoka Gas Pool to include these lands. Applicant also seeks an exception to Division Rule 104.C.(2)(b) to permit the simultaneous dedication of the following wells to a 320-acre spacing and proration unit in the Atoka formation comprised of th W/2 of Section 14: the Mayfly "14" State Com. Well No. 1 at a previously approved unorthodox location 330 feet from the North and West lines; the Mayfly "14" State Com. Well No. 6 (formerly the Monsanto Well No. 1) located at a standard well location 1980 feet from the South line and West lines; and the Mayfly "14" State Com. Well No. 4 to be re-completed at an unorthodox gas well location 1651 feet from the North line and 371 feet from the West line of said Section 14 in the North Shoe Bar-Atoka Gas Pool. Said wells are located approximately 5 miles west of Lovington, New Mexico.

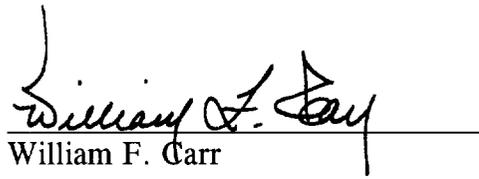
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Dale Douglas (Landman)	Approx. 10 Minutes	Approx. 3
Bill Baker (Geology)	Approx. 15 Minutes	Approx. 6

PROCEDURAL MATTERS

David H. Arrington Oil & Gas, Inc. will request that the simultaneous dedication portion of this application be dismissed.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line. The signature is cursive and somewhat stylized.

William F. Carr
Attorney for David H. Arrington Oil & Gas, Inc.