

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

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OIL CONSERVATION DIV

**IN THE MATTER OF THE APPLICATION
OF DAVID H. ARRINGTON OIL & GAS, INC.
FOR APPROVAL OF AN UNORTHODOX OIL
WELL LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.**

CASE NO. 12663

APPLICATION

DAVID H. ARRINGTON OIL & GAS, INC. ("Arrington"), through its undersigned attorneys, hereby makes application to re-complete its existing Mayfly "14" State Well No. 7 located at a previously approved unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 14, T-16-S, R-35-E, NMPM, Lea County, New Mexico for production from the Strawn Formation, North Shoe Bar-Strawn Pool and for simultaneous dedication of this well to the previously approved 160-acre oil spacing and proration unit consisting of the NE/4 of this section. In support of this application Arrington states:

1. Arrington is the operator of the Mayfly "14" State Well No. 7 that is presently completed in the Cisco Pennsylvanian formation. Arrington is also the operator of the Mayfly "14" State Com Well No. 2 which is an oil well completed and producing at a standard bottom hole location in the NW/4 NW/4 (Unit A) of Section 14 to which is dedicated a 160-acre oil spacing and proration unit in the Strawn formation, North Shoe Bar-Strawn Pool, comprised of the NW/4 of Section 14.

2. Arrington proposes to re-complete it existing Mayfly "14" State Well No. 7 in the Strawn formation, North Shoe Bar-Strawn Pool and to simultaneously dedicate this well to the existing 160-acre oil spacing and proration unit for the Mayfly "14" State Com Well No. 2.

3. The North Shoe Bar-Strawn Pool is a prorated oil pool developed under special pool rules that require 160-acre oil spacing and proration units and well locations within 150 feet of the center of a governmental quarter-quarter section or lot. The proposed Strawn re-completion in the Mayfly "14" State Well No. 7 will be unorthodox because the well is only 330 feet from the North and East lines of Section 14.

4. Pursuant to Rule 5 of the Special Rules and Regulations for the North Shoe Bar-Strawn Pool, Arrington seeks to re-complete its Mayfly "14" State Well No. 7 in the Strawn formation, North Shoe Bar-Strawn Pool, at its unorthodox location and to simultaneously dedicate this well to the existing 160-acre oil spacing and proration unit.

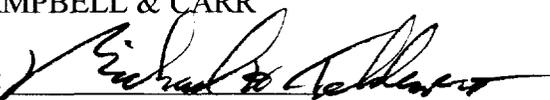
5. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

6. A list of the names and addresses of the persons to whom notice has been sent is attached hereto as Exhibit A.

WHEREFORE, David H. Arrington Oil and Gas, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 17, 2001, and after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 

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ATTORNEYS FOR DAVID H. ARRINGTON OIL
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EXHIBIT A

**IN THE MATTER OF THE APPLICATION OF DAVID H. ARRINGTON OIL & GAS, INC.
FOR APPROVAL OF AN UNORTHODOX OILWELL LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.**

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