

**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. 43734

2006 JUN 29 PM 23

**APPLICATION OF DAVID H. ARRINGTON OIL AND
GAS, INC., FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

David H. Arrington Oil and Gas, Inc.

ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
P. O. Box 1986
Santa Fe, NM 87504-1986
(505) 989-9614
(505) 989-9857 facsimile

OPPOSITION

Ronald W. Lanning
Land Manager
Caza Energy LLC
Post Office Box 1767
Artesia, New Mexico 88211-1797

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, NM 87504
(505) 988-4421

STATEMENT OF CASE

Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 34, Township 17 South, Range 23

East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acres, including but not necessarily limited to the Wolfcamp formation, undesignated Cottonwood Creek Wolfcamp Pool. Said unit is to be dedicated to the Applicant's proposed Chartreuse Spanker Well No. 1H to be drilled from a surface location 400' from the South line and 1880' from the East line, to a bottom hole location 660' from the North line and 1880' from the East line of said section 34. Also to be considered will be 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 David H. Arrington Oil and Gas, Inc., or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 6 miles East of Hope, New Mexico.

PROPOSED EVIDENCE

OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

May call:
Ron Lanning
(Landman)

Approx. 10 min.

Approx. 5

PROCEDURAL MATTERS

Caza Energy LLC has none at this time.



William F. Carr
Attorneys for Caza Energy LLC

CERTIFICATE OF SERVICE

I certify that on June 29, 2006 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

J. Scott Hall, Esq.
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