

**BEFORE THE
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:**

**APPLICATION OF MARSHALL & WINSTON, INC. TO CANCEL AN
OPERATOR'S AUTHORITY AND TERMINATE A SPACING UNIT, AND
APPROVE A CHANGE OF OPERATOR, LEA COUNTY, NEW MEXICO.**

CASE NO. 14538

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the rules of the Oil Conservation Division.

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APPEARANCES OF PARTIES

APPLICANT
Marshall & Winston, Inc.

ATTORNEY
James Bruce, Esq.

OPPOSITION
David H. Arrington Oil & Gas, Inc.
c/o Monte Kastner

ATTORNEY
William F. Carr, Esq.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

OPPOSITION:

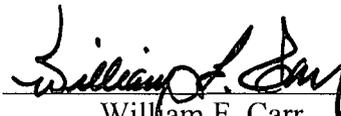
David H. Arrington Oil & Gas Inc. is the Division designated operator of the Green Eyed Squealy Worm Well No. 1 which Arrington and others drilled to test the Morrow and other formations. The well ceased to produce and has been shut in. Arrington believes that there is potential in the Morrow formation and proposes to re-enter and test the Morrow formation in this well before the well is used to testing shallower zones. Arrington has filed an application to compulsory pool this acreage to enable it to test the Morrow. It opposes any attempt to remove it as operator of the well.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Monty Kastner (Landman)	20 Minutes	Approx. 6
Brian Ball (Geologist)	10 Minutes	Approx. 2
Art Carrasco (Petroleum/Reservoir Engineer)	10 Minutes	Approx. 2

PROCEDURAL MATTERS

David H. Arrington Oil & Gas, Inc. will request that this case be consolidated for hearing with its application in Case 14497.



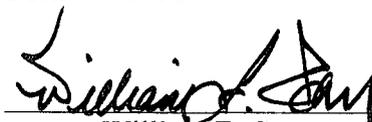
William F. Carr
ATTORNEY FOR DAVID H.
ARRINGTON OIL AND GAS, INC.

CERTIFICATE OF SERVICE

I certify that on August 25, 2010 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
 Hand Delivery
 Fax

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504



William F. Carr