

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

80 DEC -4 AM 3: 14

CASE 12533

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

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by David H. Arrington Oil & Gas, Inc. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

David H. Arrington Oil & Gas, Inc.
P. O. Box 2071
Midland, Texas 79702
attn: Bill Baker
(915) 682-4139

ATTORNEY

W. Thomas Kellahin
KELLAHIN & KELLAHIN
Santa Fe, NM 87504
(505) 982-4285

OTHER PARTIES

STATEMENT OF THE CASE

1. Arrington has the right to drill and develop the oil and gas minerals from the surface to the base of the Morrow formation underlying the NW/4 of Section 26, T18S, R24E, NMPM, Eddy County, New Mexico.

2. This well is located within one mile of the pools described above.

3. Arrington has proposed this well at an unorthodox well location to Nearburg Exploration Company, L.L.C.

4. Arrington is in the process of obtaining a written voluntary agreement from Nearburg Exploration Company, L.L.C. and hopes to have the matter finalized by the time of the hearing so that the compulsory pooling portion of the case can be dismissed.

5. The unorthodox well location is the optimum location within the N/2 spacing unit in which to locate a well to test for Cisco and/or Morrow production.

PROPOSED EVIDENCE

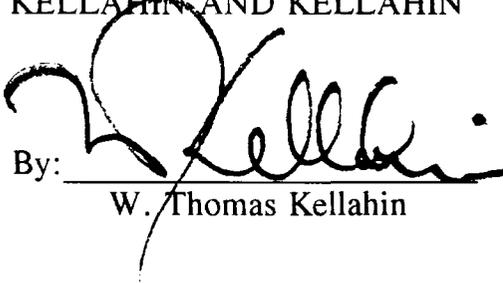
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Bill Baker (geologist)	20 min.	@ 3 exhibits
Dale Douglas (landman)	20 Min.	@ 5 exhibits

PROCEDURAL MATTERS

None

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin