

mk

**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. 12682

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

01 JUN 26 PM 3:25

OIL CONSERVATION DIV.

PRE-HEARING STATEMENT

This Prehearing 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 and Gas, Inc.

214 West Texas, Suite 400
Midland, Texas 79701
(915) 682-6685

ATTORNEY

Michael H. Feldewert, 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 seeks an order pooling all mineral interests in the following described spacing and proration units in Section 30, Township 15 South, Range 35 East: The S/2 for all formations and/or pools developed on 320-acre spacing; the SE/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 SE/4 (Unit P) for all formations and/or pools developed on 40-acre spacing which presently includes but is not necessarily limited to the Undesignated Townsend-Permo Upper Pennsylvanian Pool and the Undesignated Big Dog-Strawn Pool. Said units are to be dedicated to Applicant's proposed John's Hopper Well No. 1 to be directionally drilled in an easterly southeasterly direction from a surface location 760 feet from the South line and 1700 feet from the East line (Unit O) to a standard bottom hole location 660 feet from the South and East lines (Unit P) of said Section 30 at a depth sufficient to test all formations from the surface to the base of the Mississippian formation. Said drilling program will result in the following unorthodox well locations: An unorthodox location in the Wolfcamp, Cisco and Canyon formations no closer than 660 feet from the South line and 1310 feet from the East line (Unit P) of Section 30; and an unorthodox location in the Strawn and Atoka formations no closer than 660 feet from the South line and 1170 feet from the East line (Unit P) of said Section 30. Also to be considered will the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 5 miles northwest of Lovington, New Mexico.

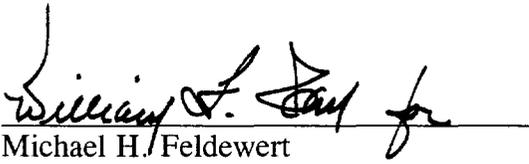
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Enick Diffee (Landperson)	10 minutes	Approximately 8
John McRae (Geologist)	10 Minutes	Approximately 4

PROCEDURAL MATTERS

There are none at this time.


Michael H. Feldewert
Attorney for David H. Arrington Oil and Gas, Inc.