

MS.

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:

THE APPLICATION OF DAVID H. ARRINGTON  
OIL & GAS, INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 12858

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APPLICANT'S PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Applicant David H. Arrington Oil & Gas Inc. ("Arrington") by and through its attorneys, Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

David H. Arrington Oil & Gas, Inc.

ATTORNEY

Michael H. Feldewert, Esq.  
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### APPLICANT'S STATEMENT OF CASE

Arrington seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) of irregular Section 31, Township 15 South, Range 36 East in the following manner: Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) to form a standard 320.56-acre stand-up gas spacing and proration unit for all formations or pools spaced on 320-acres within that vertical extent; the SW/4 to form a standard 160.14-acre gas spacing and proration unit for all formations or pools spaced on 160-acre spacing within that vertical extent; and the SW/4 NW/4 (Unit E) to form a standard 40.17-acre oil spacing and proration unit for all formations or pools spaced on 40-acres within that vertical extent, which presently includes but is not necessarily limited to the Caudill Permo - Upper Pennsylvanian Pool and the Undesignated Townsend Permo - Upper Pennsylvanian Pool. These spacing and proration units are to be dedicated to Arrington's proposed Royal Stimulator "31" Well No. 2 to be drilled at a standard location in the W/2 of Section 31. The well will commence at a surface location 2235 feet from the North line and 330 feet from the West line (Unit E) of said Section 31, will be drilled vertically to a depth sufficient to test the Wolfcamp formation, and then directionally drilled in a southeasterly direction to standard bottomhole location 1900 feet from the South line and 1300 feet from the West Line (Unit L) of said Section 31 to a depth sufficient to test the Mississippian formation. 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately one mile north of Lovington, New Mexico.

### APPLICANT'S PROPOSED EVIDENCE

This matter was previously the subject of an Examiner hearing in Case No. 12752 and Division Order No. R-11690, entered November 16, 2001. Said pooling Order expired by its own terms on February 28, 2002, necessitating this new application. As a result, this matter has been advertised "In the Absence of Objection This Matter Will Be Taken Under Advisement" and applicant requests that the evidence presented in the previous case be incorporated herein. Applicant therefore intends to present no witnesses at the schedule hearing.

### PROCEDURAL MATTERS

None.



Michael H. Feldewert

Attorney for David H. Arrington Oil & Gas, Inc.