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- \*\* NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN REAL ESTATE LAW

April 30, 2002

**HAND-DELIVERED**

Lori Wrotenbery, Director  
New Mexico Oil Conservation Director  
1220 South St. Francis  
Santa Fe, New Mexico 87505

Re: New Mexico Oil Conservation Case No. 12859; Application of David H. Arrington  
Oil and Gas, Inc. For Compulsory Pooling, Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Arrington Oil and Gas, Inc., enclosed are an original and two copies of Pre-Hearing Statements for New Mexico Oil Conservation Division Case Nos. 12859; 12816; 12860; and 12841.

Thank you for your assistance.

Very truly yours,

MILLER, STRATVERT & TORGERSON, P.A.



J. Scott Hall

JSH/glb

Enclosures

cc: David Brooks  
Michael Stogner  
Counsel of Record

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BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. 12859

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Miller, Stratvert & Torgerson, P.A. (J. Scott Hall) on behalf of David H. Arrington Oil and Gas, Inc., as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT'S ATTORNEY**

**J. Scott Hall, Esq.**  
Miller, Stratvert & Torgerson, P.A.  
605 Richard Arrington Jr. Blvd. North  
Post Office Box 1986  
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**APPLICANT**

**David H. Arrington Oil and Gas, Inc.**  
214 West Wall, Suite 400  
Midland, Texas 79702  
(915) 682-6685

**OPPONENT'S ATTORNEY**

Thomas Kellahin, Esq.  
Post Office Box 2265  
Santa Fe, New Mexico 87504

**OPPONENT**

TMBR/Sharp Drilling, Inc.

Susan Richardson, Esq.  
Cotton, Bledsoe, Tighe, & Dawson  
500 W. Illinois Ave. # 300  
Midland, Texas 79701

CE 12859 PM 2:16  
OIL CONSERVATION DIV

OTHER PARTY'S ATTORNEY

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

Yates Petroleum Corporation

Ocean Energy, Inc.

**STATEMENT OF THE CASE**

APPLICANT

Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 25, Township 16 South, Range 35 East, NMPM: a.) E/2 to form a standard 320-acre stand-up gas spacing and proration unit ("the 320-acre Unit") for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Undesignated Shoe Bar-Atoka Gas Pool, Undesignated Townsend-Morrow Gas Pool, and Undesignated North Townsend-Mississippian Gas Pool; b.) NE/4 to form a standard 160-acre spacing and proration unit ("the 160-acre Unit") for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and c.) E/2 NE/4 to form a standard 80-acre stand-up oil spacing and proration unit ("the 80-acre Unit") for any and all formations and/or pools developed on 80-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Glass-Eyed Midge 25 Well No. 1 to be drilled at a standard 320-acre spacing and proration unit gas well location 803 feet from the North line and 902 feet from the East line in the NE/4 of said Section 25.

OPPOSITION OR OTHER PARTY

The Application is opposed by TMBR/Sharp Drilling, Inc. which proposed to pool interests in order to create a N/2 unit for its Blue Fin "25" Well No. 1 in Section 25 in Case No. 12816.

**PROPOSED EVIDENCE**

APPLICANT

| <b>WITNESSES:</b>      | <b>Est. Time</b> | <b>No. of Exhibits</b> |
|------------------------|------------------|------------------------|
| Dale Douglas (Landman) | 25 Minutes       | 6                      |
| Ennick Diffy (Landman) | 20 Minutes       | 4                      |
| Bill Baker (Geologist) | 20 Minutes       | 5                      |

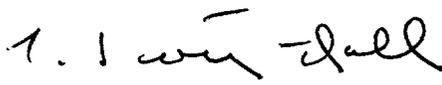
OPPOSITION

| WITNESSES | EST. TIME | EXHIBITS |
|-----------|-----------|----------|
|-----------|-----------|----------|

**PROCEDURAL MATTERS**

This case affects Case No. 12816 (TMBR/Sharp), Case No. 12860 (Ocean Energy) and Case No. 12841 (Ocean Energy). TMBR/Sharp has moved to dismiss Cases 12859, 12860 and 12841.

MILLER, STRATVERT & TORGERSON, P.A.

By: 

J. Scott Hall, Esq.  
Post Office Box 1986  
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Attorneys for David H. Arrington Oil and Gas, Inc.

**Certificate of Mailing**

I hereby certify that a true and correct copy of the foregoing was delivered to counsel of record on the 30<sup>th</sup> day of April, 2002, as follows:

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*J. Scott Hall*

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