

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

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

CASE NO. 12865

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Montgomery & Andrews, P.A. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

David H. Arrington Oil & Gas, Inc.
Attention: John McRae
Post Office Box 2071
Midland, Texas 79702
(915) 682-4139

ATTORNEY

Paul R. Owen, Esq.
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OPPOSITION OR OTHER PARTY

ATTORNEY

OIL CONSERVATION DIV
02 MAY 13 AM 11:17

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in the W/2 of Section 34, Township 14 South, Range 35 East, NMPM, Lea County, New Mexico, in the following manner: the W/2 for all formations developed on 320-acre spacing. Applicant proposes to dedicate these pooled units to its proposed Chocolate Foam Wing No. 1 Well, to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 34. Also to be considered will 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 6 miles northwest of Lovington, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

Enich Diffie
(Landman)

Approx. 20 min.

Approx. 6

John McRae
(Petroleum Geologist)

Approx. 20 min.

Approx. 5

PROCEDURAL MATTERS



Paul R. Owen
ATTORNEY FOR APPLICANT DAVID H.
ARRINGTON OIL & GAS, INC.