

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

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION FOR THE PURPOSES
OF CONSIDERING:

CASE NO. 14538

APPLICATION OF MARSHALL & WINSTON, INC. TO CANCEL AN OPERATOR'S
AUTHORITY AND TERMINATE A SPACING UNIT AND APPROVE A CHANGE OF
OPERATOR, LEA COUNTY, NEW MEXICO.

CASE NO. 14497

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

ORDER GRANTING MOTION TO STAY ORDER NO. R- 13372

This matter having come before the Division Director pursuant to Rule 19.15.4.23(B) NMAC on the Verified Motion for Stay of Order No. R-13372 submitted by David H. Arrington Oil & Gas, Inc. ("Arrington"), the Director finds:

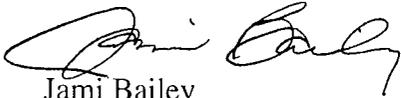
1. Order No. R-13372 was entered on March 16, 2011, approving the application of Marshall & Winston, Inc. ("M&W"), to cancel the authority of Arrington to operate the Green Eyed Squealy Worm Well No. 1 (API No. 30-025-36013) and designating M&W as the operator of the well. The same Order denied Arrington's application for compulsory pooling in order to re-establish production in the Morrow formation in the Green Eyed Squealy Worm Well No. 1.
2. Arrington timely filed an application for a de novo hearing by the Oil Conservation Commission and therefore these matters are not yet final.
3. Any effort by M&W to re-enter the well and complete in a shallower zone may permanently prevent Arrington from re-entering and re-completing in the Morrow formation.

4. Therefore, Division Order R-13372 should be stayed while this matter is on appeal before the Commission.

IT IS THEREFORE ORDERED THAT:

Division Order No. R-13372 is STAYED pending final resolution on appeal.

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A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is written in a cursive style with a large initial "J" and "B".

Jami Bailey
Director