

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 2, 1998

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

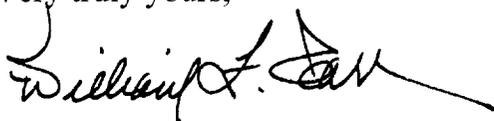
11994

Re: Application of David H. Arrington Oil & Gas, Inc. for Compulsory Pooling,
Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of David H. Arrington Oil & Gas, Inc. in the above-referenced case as well as a copy of a legal advertisement. David H. Arrington Oil & Gas, Inc. respectfully requests that this matter be placed on the docket for the June 25, 1998 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: David H. Arrington (w/enclosures)
Brian K. Luginbill (w/enclosures)
David H. Arrington Oil & Gas, Inc.
Post Office Box 2071
Midland, TX 79702

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. 11994

APPLICATION

DAVID H. ARRINGTON OIL & GAS, INC. ("ARRINGTON"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, Section 70-2-17, (1978), for an order pooling all mineral interests from the surface to the base of the Morrow formation, Townsend-Morrow Gas Pool, in Lots 9, 10, 11, 12, 13, 14, 15 and 16 for all formations developed on 320-acre spacing, in Lots 11, 12, 13 and 14 for all formations developed on 160-acre spacing, in Lots 13 and 14 for all formations developed on 80-acre spacing, and Lot 14 for all formations developed on 40-acre spacing in Section 3, Township 16 South, Range 35 East, NMPM, and in support thereof states:

1. Arrington is a working interest owner in said Section 3 and has the right to drill thereon.
2. Arrington proposes to dedicate the above-referenced spacing or proration units to its Parachute Hopper Well No. 1 to be drilled at a standard location 3510 feet from the South line and 1650 feet from the West line of said Section 3, to a depth sufficient to test any and all formations to the base of the Morrow formation, Townsend-Morrow Gas Pool.
3. Arrington has sought and been unable to obtain either voluntary agreement for

pooling or farmout from those interest owners in these spacing or proration units identified on Exhibit A to this application.

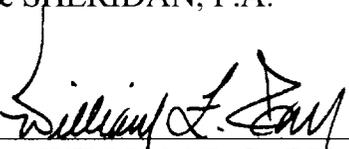
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and David H. Arrington Oil & Gas, Inc. should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on June 25, 1998 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Arrington operator of these spacing and proration units, and authorizing Arrington to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Arrington in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR DAVID H. ARRINGTON
OIL & GAS, INC.

EXHIBIT A

Mr. Ed Watts
Bristol Resources
6655 S. Lewis
Tulsa, OK 74136

Jerry L. Hooper and wife
Margaret A. Hooper
105 W. 3rd Street
Roswell, NM 88201

Jimmy J. Hooper and wife
Lynne C. Hooper
Post Office Box 817
Roswell, NM 8202

Mr. Mark Shidler
Mark L. Shidler, Inc.
1010 Lamar Street, Suite 500
Houston, TX 77002

Mr. Larry Petree
A. L. Cone Partnership
Post Office Box 3457
Lubbock, TX 79452

CASE _____:

11994

Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, Townsend-Morrow Gas Pool underlying Lots 9 through 16 for all formations developed on 320-acre spacing, Lots 11 through 14 for all formations developed on 160-acre spacing, Lots 13 and 14 for all formations developed on 80-acre spacing and Lot 14 for all formations developed on 40-acre spacing, all in Section 3, Township 16 south, Range 35 East, NMPM. Applicant proposes to dedicate this pooled units to its Parachute Hopper Well No. 1 to be drilled at a standard gas well location 3510 feet from the South line and 1650 feet from the West line of said Section 3. 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 5 miles west of Lovington, New Mexico.