

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: )

CASE NO. 12,313

APPLICATION OF DAVID H. ARRINGTON OIL )  
AND GAS, INC., FOR COMPULSORY POOLING, )  
DIRECTIONAL DRILLING OF A HORIZONTAL )  
WELL AND A NONSTANDARD SPACING UNIT, )  
LEA COUNTY, NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MARK ASHLEY, Hearing Examiner

July 13th, 2000

Santa Fe, New Mexico

OIL CONSERVATION DIV.  
CO JUL 27 AM 5:02

This matter came on for hearing before the New Mexico Oil Conservation Division, MARK ASHLEY, Hearing Examiner on Thursday, July 13th, 2000, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

## I N D E X

July 13th, 2000  
 Examiner Hearing  
 CASE NO. 12,313

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STATEMENT BY MR. CARR	3
REPORTER'S CERTIFICATE	5

\* \* \*

## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit A	4	4

\* \* \*

## A P P E A R A N C E S

## FOR THE DIVISION:

LYN S. HEBERT  
 Attorney at Law  
 Legal Counsel to the Division  
 2040 South Pacheco  
 Santa Fe, New Mexico 87505

## FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.  
 Suite 1 - 110 N. Guadalupe  
 P.O. Box 2208  
 Santa Fe, New Mexico 87504-2208  
 By: WILLIAM F. CARR

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   2:50 p.m.:

3           EXAMINER ASHLEY: At this time the Division calls  
4   Case 12,313, Application of David H. Arrington Oil and Gas,  
5   Inc., for compulsory pooling, directional drilling of a  
6   horizontal well and a nonstandard spacing unit, Lea County,  
7   New Mexico.

8           Call for appearances.

9           MR. CARR: May it please the Examiner, my name is  
10   William F. Carr with the Santa Fe law firm Campbell, Carr,  
11   Berge and Sheridan. I represent David H. Arrington Oil and  
12   Gas, Inc., in this matter, and I have a statement.

13           Mr. Examiner, this case was heard by Examiner  
14   Catanach on December 16th and then continued and the  
15   hearing concluded on February the 3rd, 2000. Order Number  
16   R-11,333 was entered on March the 16th, 2000, approving the  
17   Application. The order provided that Mr. Arrington was  
18   required to commence a well by June the 15th, or the order  
19   would be of no effect unless it was extended for good cause  
20   shown. Mr. Arrington called me on June the 16th, and the  
21   order at that point in time had already expired.

22           He has encountered delays not only securing a  
23   rig, but the proper crew for drilling this horizontal  
24   wellbore. He intends to go forward with the drilling of  
25   the well, and all of the testimony presented in the

1 previous hearings and exhibits remain applicable today,  
2 just as they did at the time they were presented.

3 We have provided new notice to each of the  
4 interest owners affected by the Application, and we request  
5 that this case be taken under advisement and an order  
6 entered based on the record made in the prior hearing and  
7 that the Application once again be approved.

8 The notice affidavit is marked Arrington Exhibit  
9 A in this reopened case, and I would move its admission at  
10 this time.

11 EXAMINER ASHLEY: Exhibit A will be admitted as  
12 evidence at this time.

13 MR. CARR: And that's all I have in this matter.

14 EXAMINER ASHLEY: Well, I don't have any  
15 questions.

16 There being nothing further in this case, Case  
17 12,313 will be taken under advisement.

18 And this concludes today's hearing. Thank you.

19 (Thereupon, these proceedings were concluded at  
20 2:59 p.m.)

21 \* \* \*

22 I hereby certify that the foregoing is  
23 a complete record of the proceedings in  
24 the Examiner hearing of Case No. 12313.  
25 heard by me on 7-1-00 19.

Mark Ashley, Examiner  
Oil Conservation Division

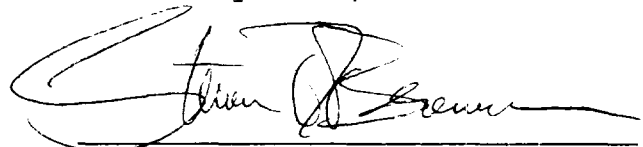
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO    )  
                                   )   ss.  
 COUNTY OF SANTA FE    )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 21st, 2000.



STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 2002

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

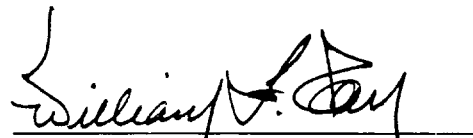
**IN THE MATTER OF THE AMENDED APPLICATION  
OF DAVID H. ARRINGTON OIL & GAS, INC. FOR  
COMPULSORY POOLING AND DRILLING OF  
A HORIZONTAL WELL, LEA COUNTY, NEW MEXICO.**

**CASE NO. 12313- Reopened**


**AFFIDAVIT**


STATE OF NEW MEXICO       )  
  ) ss.  
COUNTY OF SANTA FE       )

William F. Carr, attorney in fact and authorized representative of David H. Arrington Oil & Gas, Inc., the applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested parties entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

  
\_\_\_\_\_  
William F. Carr

SUBSCRIBED AND SWORN to before this 12<sup>th</sup> day of July, 2000, by  
William F. Carr.

 **OFFICIAL SEAL**  
**Mara Dalton**  
**NOTARY PUBLIC**  
**STATE OF NEW MEXICO**  
My Commission Expires: 8/25/01

  
\_\_\_\_\_  
Mara Dalton, Notary Public

## EXHIBIT A

Robert L. Miller, Trustee for  
the benefit of Ada Leora Medlin  
4519 Norma  
Fort Worth, TX 76103

Collins & Ware  
303 W. Wall Street, Suite 2200  
Midland, TX 79701

Chesapeake Operating, Inc.  
P.O. Box 18496  
Oklahoma City, OK 73154

BEFORE EXAMINER ASHLEY	
OIL CONSERVATION DIVISION	
<del>ADDA</del>	EXHIBIT NO. <u>A</u>
CASE NO. <u>12313 (REOPENED)</u>	

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  
  
JACK M. CAMPBELL  
1916-1999

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: law@westofpecos.com

June 22, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Chesapeake Operating, Inc.  
P.O. Box 18496  
Oklahoma City, OK 73154

Re: ***Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, directional drilling of a horizontal well and a nonstandard spacing and proration unit, Lea County, New Mexico.***

Gentlemen:

This letter is to advise you that David H. Arrington Oil & Gas, Inc. filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface to the base of the Strawn formation, Northeast Lovington-Pennsylvanian Pool in the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing within said vertical extent and a 160-acre project area for a horizontal well comprised of a nonstandard spacing and proration unit comprised of two 80-acre spacing and proration units (W/2 SW/4 and E/2 SW/4) in Section 10, Township 16 South, Range 37 East, NMPM., Lea County, New Mexico. Arrington proposes to dedicate the referenced pooled unit to its proposed H&L Variance "10" Well No. 1 to be directionally drilled as a horizontal well in the Strawn formation in the SW/4 of said Section 10.



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  
  
JACK M. CAMPBELL  
916-1999

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SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
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June 22, 2000

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**RETURN RECEIPT REQUESTED**

Collins & Ware  
303 W. Wall Street, Suite 2200  
Midland, TX 79701

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