

**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. 12313

OIL CONSERVATION DIV.
99 DEC 13 PM 4:56

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

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

David J. Arrington Oil & Gas, Inc.
Attn: David H. Arrington
P.O. Box 2071
Midland, Texas 79702
(915) 682-6685
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation, underlying NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing within this vertical extent and a 160-acre directional well Project Area ⁱⁿ the Northeast Lovington-Pennsylvanian Pool comprised of the SW/4 (two standard 80-acre spacing and proration units) of Section 10, Township 16 South, Range 37 East, NMPM. This pooled Project Area is to be dedicated to the H&L Variance "10" Well No. 1 to be directionally drilled from an orthodox surface location 2130 feet from the South line and 330 feet from the West line and then laterally drilled to a point where it penetrates the Strawn formation and then horizontally to the East for 1400 feet, more or less. The well bore will be confined to a Producing Area in the Strawn formation which will be at least 510 feet from the outer boundary of the SW/4 of said Section 10. 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 east of Lovington, New Mexico.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

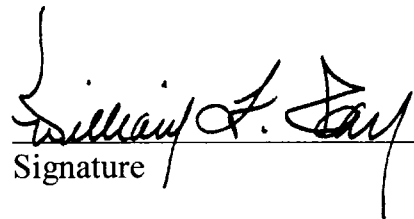
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Dale Douglas (Landman)	10 minutes	Approximately 6
Bill Baker (Geologist)	10 minutes	Approximately 3

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

None at this time



Signature