

CASE 12-313 Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling and directional drilling, 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 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 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 ____ miles _____ of _____, New Mexico.