

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION  
FEB 21 PM 2:40

IN THE MATTER OF THE APPLICATION  
OF DAVID H. ARRINGTON OIL AND GAS, INC.  
FOR COMPULSORY POOLING, UNORTHODOX  
WELL LOCATIONS AND DIRECTIONAL DRILLING  
LEA COUNTY, NEW MEXICO


CASE NO. 12602

**ENTRY OF APPEARANCE**

Comes now ENERGEN RESOURCES CORPORATION, by and through its  
undersigned attorneys, Miller, Stratvert & Torgerson, P.A., and hereby enters its  
appearance in the above cause.

MILLER, STRATVERT & TORGERSON, P.A.

By

  
J. Scott Hall  
Attorneys for Energen Resources Corp.  
Post Office Box 1986  
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(505) 989-9614

**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was faxed and/or  
mailed to counsel of record on the 24 day of February, 2001, as follows:

Mr. William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan  
Post Office Box 2208  
Santa Fe, New Mexico 87504



J. Scott Hall

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 8 miles northeast of Caprock, New Mexico.

*De Novo*

**CASE 12602:**

**Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, unorthodox well locations and directional drilling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations and/or pools developed on 160-acre spacing; the N/2 NW/4 for all formations and/or pools developed on 80-acre spacing including but not limited to the West Lovington-Strawn Pool; and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Townsend-Permo Pennsylvanian Pool, the Undesignated Townsend-Strawn Pool, the Undesignated Townsend-Abo Pool and the Undesignated Townsend-Devonian Pool, all in Section 35, Township 15 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Disco Midge Well No. 1 to be drilled at an unorthodox gas well surface location 1487 feet from the North line and 331 feet from the West line in the NW/4 of Section 35. Arrington proposes to directionally drill this well in a north-northeasterly direction intersecting the Strawn formation at an unorthodox location approximately 1250 feet from the North line and 390 feet from the West line with a bottomhole location in the Mississippian formation at a point approximately 660 feet from the North line and 800 feet from the West line of said Section 35. 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 1.5 miles northwest of Lovington, New Mexico.

*Upon application of Emergen Resources Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.*

**CASE 12603:**

**Application of Clayton Williams Energy, Inc. for salt water disposal, Eddy County, New Mexico.** Applicant seeks authority to utilize its Green "B" Federal Well No. 9 (API No. 30-015-22930), located 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 19, Township 17 South, Range 29 East, to dispose of produced salt water into the Undesignated Empire-Abo Pool through the perforated interval from approximately 6,900 feet to 7,600 feet. This well is located approximately one mile west of Loco Hills, New Mexico.

**CASE 12588:**

**Continued from January 25, 2001, Examiner Hearing**

**Application of Raptor Natural Pipeline, LLC, f/k/a LG&E Energy Corporation, for special rules for the Grama Ridge Morrow Gas Storage Unit, Lea County, New Mexico.** Applicant seeks an order establishing special rules applicable to wells drilled and completed or recompleted in the Morrow formation within its Grama Ridge Morrow Gas Storage Unit and within each 320-acre spacing unit immediately adjacent to the Unit in the following described area:

Grama Ridge Morrow Gas Storage Agreement

**Township 21 South, Range 34 East**

Section 33: All

Section 34: All

**Township 22 South, Range 34 East**

Section 3: All

**Examiner Hearing – February 22, 2001**  
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Section 4: All  
Section 10: All

Acreage Adjacent to Unit

**Township 21 South, Range 34 East**

Section 26: NW/4, S/2  
Section 27: All  
Section 28: All  
Section 29: E/2, SW/4  
Section 32: All  
Section 35: All

**Township 22 South, Range 34 East**

Section 2: All  
Section 5: All  
Section 8: N/2, SE/4  
Section 9: All  
Section 11: All  
Section 14: N/2, SW/4  
Section 15: All  
Section 16: N/2, SE/4

The application requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate. The Grama Ridge Morrow Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico.

**CASE 12441: Continued from January 25, 2001, Examiner Hearing.**

**Application of LG&E Natural Pipeline LLC for special rules for the Grama Ridge Morrow Gas Storage Unit, Lea County, New Mexico.** Applicant seeks an order establishing special rules applicable to wells drilled and completed or recompleted in the Morrow formation within its Grama Ridge Morrow Gas Storage Unit and within each 320-acre spacing unit immediately adjacent to the Unit in the following described area:

**Grama Ridge Morrow Gas Storage Agreement**

**Township 21 South, Range 34 East**

Section 33: All  
Section 34: All

**Township 22 South, Range 34 East**

Section 3: All  
Section 4: All