

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION**

**RECEIVED**

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION COMMISSION  
FOR THE PURPOSE OF CONSIDERING:**

MAY 14 2003

Oil Conservation Division

**APPLICATION OF DAVID H. ARRINGTON  
OIL & GAS, INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**Case 12828  
( De Novo)**

**MOTION TO DISMISS *DE NOVO* APPEAL  
AND RESCIND DIVISION ORDER NO. R-11751**

Yates Petroleum Corporation ("Yates") moves the Oil Conservation Commission ("Commission") for an order (1) rescinding Order No. R-11751 which granted the application of David H. Arrington Oil & Gas, Inc. and pooled certain spacing and proration units in the E/2 equivalent of Section 1, Township 15 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) dismissing Yates Petroleum Corporations de novo appeal of Order No. R-11751, and in support of its motion states:

1. By Order No. R-11751, entered in Case 12828 on April 4, 2002 the Division granted the application of David H. Arrington Oil & Gas, Inc. and pooled certain spacing and proration units in the E/2 equivalent of Section 1, Township 15 South, Range 34 East, NMPM, Lea County, New Mexico. The order provided that these units were to be dedicated to Arrington's Big Black Ant Well No. 1 that Arrington proposed to drill at a location 660 feet from the North line and 990 feet from the East line (Unit A) of said Section 1.

2. Yates Petroleum Corporation appeared at the hearing but did not present evidence in opposition to the application.

3. At the time of the hearing, Yates and Arrington were in negotiations concerning the development of this and other acreage and at the hearing Arrington requested that it, or another party designated by it, be operator of the well.

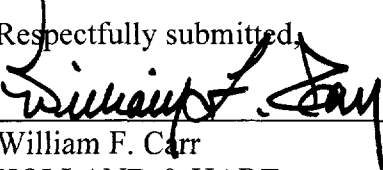
4. No final agreement having been reached between Yates and Arrington, Yates timely sought de novo review of this order and the case has been continued from time to time while negotiations continued.

5. Arrington and Yates have reached an agreement for the development of this acreage with a well at a different location on this acreage and agree that Order No. R-11751 should be rescinded and the de novo appeal of this case be dismissed.

6. The development of this acreage may require a new pooling hearing to address the change in well location and to commit the interests of certain small interest owners to the proposed well. Regardless of the outcome of the negotiations with these small interest owners, this pooling order does not reflect the current plans for the development of these lands.

7. This motion has been discussed with James Bruce, attorney for David H. Arrington Oil and Gas Inc., who does not oppose it.

WHEREFORE, Yates Petroleum Corporation requests that the Commission enter its order Rescinding Division Order No. R-11751 and dismissing the de novo appeal of Yates Petroleum Corporation in Case 12828.

Respectfully submitted,  
  
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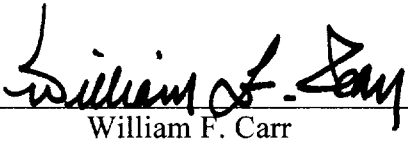
**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Motion To Dismiss De Novo Appeal and Rescind Division Order No. R-11751 was served upon the following counsel of record via facsimile and first class mail this 14th day of May 2003.

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