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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:

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

No. 12840

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

David H. Arrington
Oil & Gas, Inc.
Post Office Box 2071
Midland, Texas 79702

Attention: John McRae
(915) 682-6685

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OTHER PARTY

OTHER PARTY'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 36, Township 14 South, Range 34 East, NMPM, and in the following manner: The SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36 to form a standard 40 acre oil spacing and proration unit for any and all formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated North Morton-Permo Pennsylvanian Pool and Undesignated Morton-Wolfcamp Pool; the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 36 to form a standard 80 acre oil spacing and proration unit for any and all formations and/or pools developed on 80 acre spacing within that vertical extent, including the Undesignated Morton-Lower Wolfcamp Pool; the SE $\frac{1}{4}$ of Section 36 to form a standard 160 acre gas spacing and proration unit for any and all formations and/or pools developed on 160 acre spacing within that vertical extent; and the S $\frac{1}{2}$ of Section 36 to form a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320 acre spacing within that

vertical extent, including the Undesignated North Morton-Atoka Gas Pool and Undesignated Morton-Mississippian Gas Pool. The unit is to be dedicated to applicant's Red Eyed Squealy Worm Well No. 1, to be drilled at an orthodox location in the SE~~X~~SE~~X~~ of Section 36.

OTHER PARTY**PROPOSED EVIDENCE**APPLICANTWITNESSES

Enick Diffie
(landman)

John McRae
(geologist)

EST. TIME

15 Min.

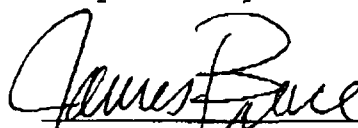
EXHIBITS

- (a) Land plat
- (b) Correspondence
- (c) AFE
- (d) Notice affidavit
- (e) Structure map
- (f) Isopach
- (g) Cross section

OTHER PARTYWITNESSESEST. TIMEEXHIBITS**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for David H. Arrington Oil &
Gas, Inc.