

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MARALO, INC. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11187

APPLICATION

MARALO, INC., through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in the SW/4 SE/4 of Section 30, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 33 1/3% of the working interest in the SW/4 SE/4 of Section 30, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Gold Rush "30" Fed Com No. 2 Well to be drilled at a standard oil well location 660 feet from the South line and 1980 feet from the East line in the SW/4 SE/4 of said Section 30, to a depth of approximately 7,900 feet, more or less, to test any and all formations from ~~the surface to the base of the Bone Spring formation~~

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the SW/4 SE/4 of said Section 30.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will

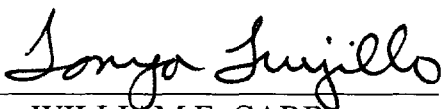
prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be consolidated with the *De Novo* hearing before the Commission on Bass Enterprises Production Company's application for compulsory pooling, Eddy County, New Mexico, Case No. 11048, Order No. R-10230, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

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& SHERIDAN, P.A.

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