

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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FEB 7 1995

Oil Conservation Division

IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR COMPULSORY POOLING  
AND AN UNORTHODOX WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11213

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 NW/4 NE/4 of Section 20, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant owns or represents more than 98% of the working interest in the NW/4 NE/4 of Section 20, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to a well to be drilled at an unorthodox location in the NW/4 NE/4 of said Section 20, at a point 350 feet from the North line and 1500 feet from the East line to a depth of approximately 12,600 feet to test any and all formations from the surface to the base of the Devonian formation.
3. Applicant has been unable to locate certain mineral interest owners in the NW/4 NE/4 of said Section 20 and therefore has been unable to obtain either voluntary agreement for pooling or leasing from these mineral interest owners.

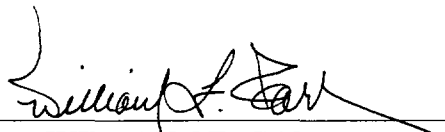
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 set for hearing before an Examiner of the Oil Conservation Division on March 2, 1995, 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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