

- CASE 11641:** Application of ARCO Permian, a Division of Atlantic Richfield Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SW/4, in all formations developed on 80-acre spacing underlying the S/2 SW/4, and in all formations developed on 40-acre spacing underlying the SE/4 SW/4 from the surface to the base of the Atoka formation of Section 34, Township 17 South, Range 28 East. Said units are to be dedicated to its Galileo 34 State Com Well No. 1 which will be drilled at an unorthodox location 1017 feet from the South line and 1379 feet from the West line of said Section 34 to a depth sufficient to test all formations to the base of the Morrow formation, Undesignated South Empire-Morrow Gas Pool. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles east-southeast of Artesia, New Mexico.
- CASE 11642:** Application of Maralo, Inc. for compulsory pooling and unorthodox oil well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in all formations developed on 40-acre spacing underlying the NE/4 NE/4 of Section 17, Township 17 South, Range 38 East. Said unit is to be dedicated to its Burrows "17" Well No. 1 to be drilled at an unorthodox location 870 feet from the North line and 1180 feet from the East line (Unit A) of said Section 17. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles northeast of Humble City, New Mexico.
- CASE 11643:** Application of Maralo, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation developed on 40-acre spacing underlying the NE/4 SW/4 of Section 15, Township 13 South, Range 38 East. Said unit is to be dedicated to its Davis "15" Well No. 1 which will be drilled at a standard location 1980 feet from the South and West lines of said Section 15. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles southwest of Bronco, New Mexico.
- CASE 11644:** Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant seeks authority to surface commingle Blanco-Mesaverde and Blanco-Pictured Cliffs Gas Pool production from its dually completed Atlantic A "LS" Well No. 9A located 1185 feet from the North line and 1575 feet from the West line (Unit C) of Section 27, Township 31 North, Range 10 West. Said well is located approximately 4 miles southeast of Cedar Hill, New Mexico.
- CASE 11645:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle production from the Basin Dakota Pool and the Blanco Mesaverde Pool within the wellbore of its Stewart LS 6M Well to be located 800 feet from the South line and 1165 feet from the East line (Lot 16) of Section 28, Township 30 North, Range 10 West. Said well is located approximately 5 miles south-southeast of Aztec, New Mexico.
- CASE 11646:** Application of Penwell Energy, Inc. for pool expansion and special pool rules for the Cedar Canyon-Bone Spring Pool, Eddy County, New Mexico. Applicant seeks the expansion of this pool to include the S/2 of Section 10, the SW/4 of Section 11 and the NW/4 of Section 14, Township 24 South, Range 29 East and the adoption of special pool rules for the Cedar Canyon-Bone Spring Pool to include a provision for a gas-oil limitation of 6,000 cubic feet of gas per barrel of oil. Said area is located approximately 20 miles southeast of Carlsbad, New Mexico.
- CASE 11647:** Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the E/2, in all formations developed on 160-acre spacing underlying the SE/4 from the surface to the base of the Morrow formation of Section 29, Township 23 South, Range 26 East. Said units are to be dedicated to its F. H. "29" Federal Com Well No. 1 which will be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of said Section 29. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles south of Carlsbad, New Mexico.

**CASE 11638:** **Application of Citation Oil & Gas Corp. for two unorthodox gas well locations and for simultaneous dedication, Lea County, New Mexico.** Applicant seeks approval of two unorthodox gas well locations in the Eumont Gas Pool for its existing: (i) Devonian State Well No. 2 (API No. 30-025-04729), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20, Township 21 South, Range 36 East; and, (ii) Devonian State Well No. 3 (API No. 30-025-04730), located 660 feet from the North and East lines (Unit A) of said Section 20. Applicant also seeks approval for Eumont gas production from both wells to be simultaneously dedicated to the existing 320-acre non-standard gas spacing and proration unit comprising the E/2 of said Section 20 (established by Division Administrative Order NSP-488, dated May 11, 1959), which is currently dedicated to its Devonian State Com Well No. 1 (API No. 30-025-04728), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 20. Further, the applicant at the time of the hearing shall review the status of all other Eumont production, both oil and gas, within the E/2 of said Section 20 and the status and/or effect of Division Administrative Order NSL-3646(SD), dated April 3, 1996, with respect to this application. Said unit is located approximately 2.5 miles south-southeast of Oil Center, New Mexico.

**CASE 11639:** **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N/2 of Section 8, Township 18 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to its Scoggin Draw "8" State Well No. 1, to be drilled at an orthodox location 660 feet from the North line and 2250 feet from the East line (Unit B) of said Section 8. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11 miles southwest of Artesia, New Mexico.

**CASE 11549:** (Continued from October 3, 1996, Examiner Hearing. - This Case Will be Dismissed.)

**Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 19 South, Range 28 East, and in the following manner: the S/2 of Section 23 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated South Millman-Atoka Gas Pool, the Undesignated Winchester-Morrow Gas Pool, the Undesignated North Winchester-Morrow Gas Pool, the Undesignated North Winchester-Wolfcamp Pool; the SW/4 of Section 23 to form a standard 160-acre gas spacing and proration unit for any and all pools and/or formations developed on 160-acre spacing within said vertical extent, including the Undesignated Winchester-Wolfcamp Gas Pool; and the SE/4 SW/4 of Section 23 to form a standard 40-acre oil spacing and proration unit for any and all pools and/or formations developed on 40-acre spacing within said vertical extent, including the Undesignated Outpost-Delaware Pool, the Undesignated East Millman-Queen-Grayburg-San Andres Pool, the Undesignated Scanlon Draw-Queen Pool, and the Undesignated Winchester-Bone Spring Pool. Said units are to be dedicated to Applicant's Ten Bears "23" St. Well No. 1, to be drilled at an orthodox well location 990 feet from the South line and 1980 feet from the West line (Unit N) of the section. 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 unit is located approximately 6 miles southeast of Illinois Camp.

**CASE 11640:** **Application of Merrion Oil & Gas Corporation for a unit agreement, Sandoval County, New Mexico.** Applicant seeks approval of the Hakuna Matata Unit Agreement for an area comprising 1,000 acres, more or less, of federal, state and Indian lands in all or portions of Sections 8, 9 16, and 17 of Township 20 North, Range 4 West. Said unit is located 13 miles north-northeast of Torreon, New Mexico.

**CASE 11616:** (Reopened)

**Application of Manzano Oil Corporation for compulsory pooling and unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the S/2 NE/4 for all formations developed on 80-acre spacing and in the SW/4 NE/4 for all formations developed on 40-acre spacing of Section 11, Township 16 South, Range 36 East. Said units are to be dedicated to its Double Eagle Well No. 1 to be drilled at an unorthodox location 1500 feet from the North line and 2250 feet from the East line (Unit G) of said Section 11. Also to be considered will be the costs of drilling and completing said well and the allocation of those costs 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 well is located approximately 1 mile southeast of Lovington, New Mexico.

CAMPBELL, CARR, BERGE  
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October 15, 1996

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**HAND-DELIVERED**

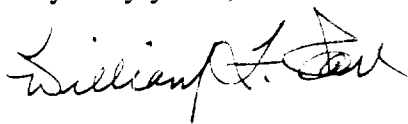
William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Paycheck  
Santa Fe, New Mexico 87503

Re: Application of Maralo, Inc. for compulsory pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Maralo, Inc. in the above-referenced case as well as a legal advertisement. Maralo respectfully requests that this matter be placed on the docket for the November 7, 1996 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Joe C. Pulido, CPL, (w/enclosures)

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,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11643

**APPLICATION**

MARALO, INC. ("MARALO"), 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 all formations developed on 40-acre spacing in the NE/4 SW/4 of Section 15, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

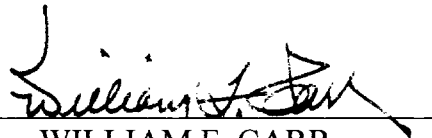
1. Maralo owns or represents approximately 95.83332% of the working interest in the NE/4 SW/4 of said Section 15, and has the right to drill thereon.
2. Maralo proposes to dedicate the above-referenced spacing or proration unit to its Davis "15" Well No. 1 to be drilled as a wildcat well at an orthodox location 1980 feet from the South and West lines of said Section 15 to a depth sufficient to test all formations from the surface to the base of the Wolfcamp formation.
3. Maralo has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the NE/4 SW/4 of said Section 15.
4. Said pooling of interests will prevent waste and will protect correlative rights.

6. In order to permit Maralo 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 on the proposed spacing unit.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an examiner of the Oil Conservation Division on November 7, 1996 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 supervision of the well, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

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ATTORNEYS FOR MARALO INC.

CASE 11643:

Application of Maralo, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the base of the Wolfcamp formation developed on 40-acre spacing underlying the NE/4 SW/4 of Section 15, Township 13 South, Range 38 East. Said unit is to be dedicated to its Davis "15" Well No. 1 which will be drilled at a standard location 1980 feet from the South and West lines of said Section 15. 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 5 miles southwest of Bronco, New Mexico.