

**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:

CASE NO. 11655

IN THE MATTER OF THE APPLICATION OF
MARALO INC. FOR A NON-STANDARD
GAS PRORATION UNIT AND AN
UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Maralo, Inc.
c/o Joe Pulido
Post Office Box 832
Midland, TX 79702
(915) 684-7441

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Maralo Inc., applicant in the above-styled cause, seeks approval to establish a non-standard gas spacing and proration unit in the Undesignated West Reeves-Queen Gas Pool comprising the S/2 NW/4 and N/2 SW/4 of Section 16, Township 18 South, Range 35 East, being approximately 5 miles southeast by south of Buckeye, New Mexico. Said unit is to be dedicated to its existing Maralo SV "16" State Well No. 1 (API No. 30-025-29347) located at an unorthodox gas well location 1748 feet from the South line and 742 feet from the West line (Unit L) of said Section 16.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

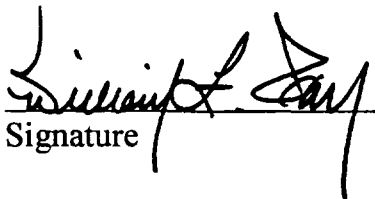
| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|--|------------------|-----------------|
| Shane Lough, Geologist | 15 Min. | Approximately 5 |
| Richard Gill, Engineer | 10 Min. | Approximately 3 |

OPPOSITION

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|--|------------------|-----------------|
|--|------------------|-----------------|

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature