

**BEFORE THE
OIL CONSERVATION COMMISSION**

Case No.11775 Exhibit No. 21
Submitted By:
Marathon Oil Company
Hearing Date: May 1, 1997

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

April 4, 1997

TO: ALL INTERESTED PARTIES ENTITLED TO NOTICE
OF THE HEARING OF THE FOLLOWING NEW MEXICO
OIL CONSERVATION DIVISION CASE:

*Re: Application of Marathon Oil Company
for Compulsory Pooling and an Unorthodox
Gas Well Location, Eddy County, New Mexico*

On behalf of Marathon Oil Company, please find enclosed our application for an compulsory pooling and an unorthodox gas well location for its W. B. Travis "15" State Com Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for May 1, 1997. The hearing will be held at the Division hearing room located in Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, April 25, 1997, with a copy delivered to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a stylized flourish at the end.

W. Thomas Kellahin

cc: BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED
to all parties listed in application

EXHIBIT "A"

Atlantic Richfield Company ("ARCO")
P. O. Box 1610
Midland, Texas 79702-1610
Attn: Lee Scarborough

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Janet Richardson

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Prkwy, Ste 600
Oklahoma City, OK 73134
Attn: Rusty Waters

Exxon Company USA
P. O.Box 1600
Midland, Texas 79702-1600
Attn: Doug Laufer

Devon Energy Corporation
20 N. Broadway, Ste 1500
Oklahoma City, OK 73102
Attn: Ken Gray

EXHIBIT "B"

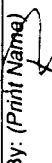
Atlantic Richfield Company ("ARCO")
P. O. Box 1610
Midland, Texas 79702-1610
Attn: Lee Scarborough

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Janet Richardson

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Prkwy, Ste 600
Oklahoma City, OK 73134
Attn: Rusty Waters

<p>SENDER</p> <p>Marathon Travis 15 Web #1 May 1, 1997 4/4/97</p> <p> <input type="checkbox"/> Co <input type="checkbox"/> Co <input type="checkbox"/> Pri <input type="checkbox"/> Cai <input type="checkbox"/> Att <input type="checkbox"/> Del <input type="checkbox"/> Th <input type="checkbox"/> Del </p>	<p>I also wish to receive the following services (for an extra fee):</p> <p> <input type="checkbox"/> Addressee's Address <input type="checkbox"/> Restricted Delivery Consult postmaster for fee. </p>	<p>can return this</p> <p>does not</p> <p>number.</p> <p>the date</p>	<p>3. Article Addressed to:</p> <p>Yard Pro, Inc. Corporation 10000 Highway 100 P.O. Box 100 Dallas, TX 75241</p> <p>JOANN GRIGGS</p>	<p>4a. Article Number</p> <p>PSST OVP 414</p>	<p>4b. Service Type</p> <p> <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD </p>	<p>5. Received By: (Print Name)</p> <p>6. Signature: (Addressed to Agent)</p> <p><i>Joann Griggs</i></p>	<p>4c. Date of Delivery</p>	<p>5. Addressee's Address (Only if requested and fee is paid)</p>	<p>6. Date of Delivery</p>	<p>7. Addressee's Address (Only if requested and fee is paid)</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>
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<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>	<p>we can return this</p> <p>ace does not</p> <p>icle number.</p> <p>and the date</p>	<p>3. Article Addressed to:</p> <p>Louis Dreyfus Natural Gas</p> <p>14000 Quail Springs Prkwy</p> <p>Suite 600</p> <p>Oklahoma City, OK 73134</p> <p>Attn: Rusty Waters</p>	<p>4a. Article Number</p> <p>P 551 018 413</p>	<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p>	<p>7. Date of Delivery</p> <p>1 / 1 / 91</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>	<p>5. Received By: (Print Name)</p>	<p>6. Signature: (Addressee or Agent)</p> <p>X [Signature]</p>	<p>PS Form 3811, December 1994</p>
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SEND TO: Marathon Travis 15 Wells #1 May 1, 1997 4/4/97		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Devon Energy Corporation 20 N. Broadway, Ste. 1500 Oklahoma City, OK 73102 Attn: Ken Gray		4a. Article Number P551 048 Y11	
5. Received By: (Print Name) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) X		7. Date of Delivery	
8. Addressee's Address (Only if requested and fee is paid)		9. Domestic Return Receipt	

<p>SENDER'S RETURN ADDRESS completed on the reverse side?</p> <p>Marathon Travis 15 Well #1 May 1, 1937 4/4/97</p> <p> <input type="checkbox"/> Cor <input type="checkbox"/> Col <input type="checkbox"/> Pri <input type="checkbox"/> car <input type="checkbox"/> All <input type="checkbox"/> per <input type="checkbox"/> Wr <input type="checkbox"/> Th <input type="checkbox"/> del. </p>	<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>
<p>can return this does not number the date</p>	<p>3. Article Addressed to:</p> <p>Exxon Company USA P.O. Box 1600 Midland, TX 79701-1600 Attn: Doug Louder</p>
<p>4a. Article Number</p> <p>PSS1 048 412</p>	<p>4b. Service Type</p> <p> <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD </p>
<p>7. Date of Delivery</p> <p>APR 08 1997</p>	<p>5. Received By: (Print Name)</p> <p>6. Signature: (Addressee or Agent)</p> <p>X <i>[Signature]</i></p>
<p>8. Addressee's Address (Only if requested and fee is paid)</p>	<p>PS Form 3814 December 1994</p>

SEN

Marathon

Travis 15 Well #1
May 1, 1997 4/4/97

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☐ The
delivery

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

Atlantic Richfield Company
("ARCO")
P.O. Box 1610
Midland, TX 79702 1610
Attn: Lee Scarborough

4a. Article Number

P551 048 4/5

4b. Service Type

- ☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery APR 08 1997

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

CASE NO. 11774

**APPLICATION OF MARATHON OIL COMPANY
FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Marathon Oil Company, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702
(915) 687-8144
attn: Thomas C. Lowry, Esq.

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATEMENT OF CASE

Marathon has a working interest ownership in the oil and gas minerals from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the S/2 of Section 11, T18S, R28E, NMPM, Eddy County, New Mexico.

The subject tract is located within one-mile of the current boundaries of the South Empire-Morrow Gas Pool.

The subject well is to be drilled at an unorthodox gas well location 1000 feet from the South and 700 feet from the East line (Unit P) of Section 11 to test any and all formations in the pooled interval from 500 feet below the top of the San Andres formation to the base of the Morrow formation and to be dedicated to the appropriate sized spacing unit for the appropriate pool.

Despite its good faith efforts, Marathon has been unable to obtain a written voluntary agreement from all of the parties.

The unorthodox location is necessary in order to satisfy geologic requirements. This location encroaches towards portions of adjoining Sections 12 and 13.

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

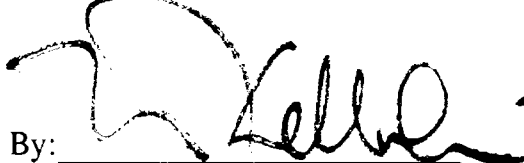
Tim Robertson (landman)
Bill DeMis (geologist)

20 Min. 6 exhibits
15 Min. 4 exhibits

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285