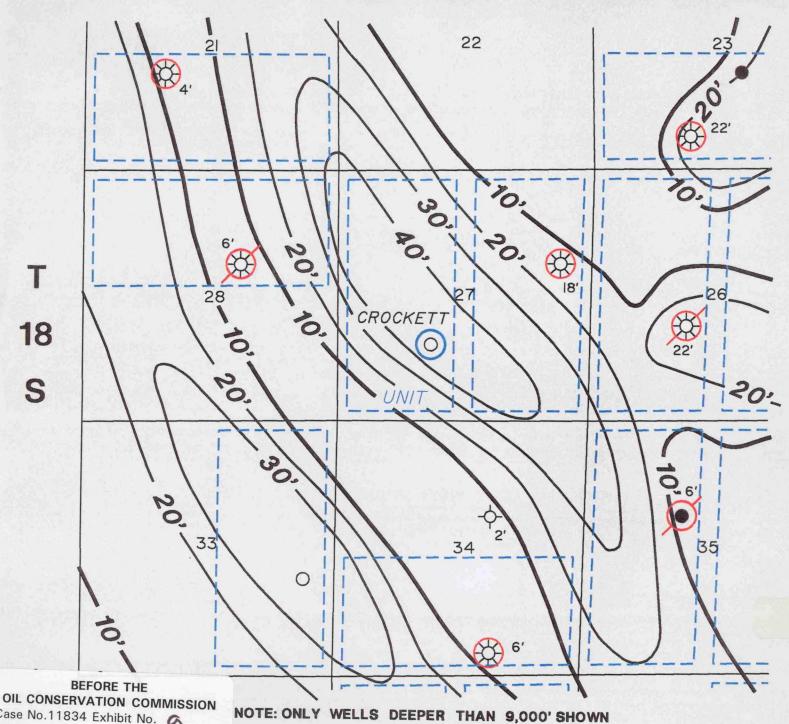
R 28 E



Case No.11834 Exhibit No. Submitted By: Marathon Oil Company Hearing Date: August 21, 1997

PROPOSED LOCATION

MORROW PRODUCER

INACTIVE MORROW

MARATHON OIL COMPANY MID-CONTINENT REGION

D. CROCKETT 27 STATE #1

EDDY COUNTY, NEW MEXICO W/2 SEC. 27 - 18S - 28E

LOWER MORROW SAND C.I.: 10'

8/97

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

CASE NO. 11834

APPLICATION OF MARATHON OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

RECEIVEN

AUG 1 8 1997

Oil Conservation Division

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

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

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 W/2 of Section 27, T18S, R28E, NMPM, Eddy County, New Mexico.

The subject tract is located within one-mile of the current boundaries of the North Turkey Track-Morrow Gas Pool.

NMOCD CASE 11834 Marathon Oil Company Page 2

Marathon proposes to drill its Crockett "27" State Well No. 1 at a standard gas well location in Unit K of Section 27 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.

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)	15 Min.	@ 6 exhibits
Bill DeMis (geologist)	15 Min.	@ 2 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