

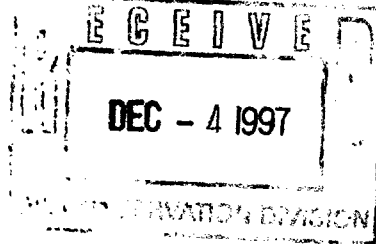
**JAMES BRUCE**  
ATTORNEY AT LAW

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December 2, 1997



**Via Fax and U.S. Mail**

David Catanach  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Case 11884; Application of Marathon Oil Company for  
compulsory pooling, Eddy County, New Mexico

Dear Mr. Catanach:

Enclosed is the pre-hearing statement of Maralo, Inc. in the above  
case.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Maralo  
Oil Company

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:

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

Case No. 11,884

PRE-HEARING STATEMENT

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

**APPEARANCES**

APPLICANT

Marathon Oil Company

OPPONENT

Maralo, Inc.  
223 West Wall Street  
Midland, Texas 79701  
Attn: Richard Gill  
(915) 684-7441

APPLICANT'S ATTORNEY

W. Thomas Kellahin

OPPONENT'S ATTORNEY

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**STATEMENT OF THE CASE**

APPLICANT

OPPONENT

Marathon Oil Company ("Marathon") has filed two pooling applications regarding Section 4, Township 19 South, Range 28 East: Case 11883, on the N½ of Section 4; and Case 11884, on the S½ of Section 4. Maralo, Inc. ("Maralo") has given Marathon a term assignment of its interest in the N½ of Section 4, which will be the first well drilled. Once that well is drilled and completed, Maralo can and will make a decision as to whether to join, or farmout or assign its interest, in the S½ well. Maralo is willing and able to make such a decision after the N½ well is drilled and completed. Thus, pooling of its interest in Case 11884 is premature and improper.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Richard Gill  
(engineer)

10 minutes

(a) correspondence  
(b) term assignment  
(c) letter of support

**PROCEDURAL MATTERS**

-None-



James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Maralo, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was served upon the following counsel of record via facsimile transmission this 2nd day of December, 1997:

W. Thomas Kellahin  
Kellahin & Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-2047



James Bruce

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

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OPPONENT'S ATTORNEY

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**STATEMENT OF THE CASE**

APPLICANT

OPPONENT

Marathon Oil Company ("Marathon") has filed two pooling applications regarding Section 4, Township 19 South, Range 28 East: Case 11883, on the N $\frac{1}{2}$  of Section 4; and Case 11884, on the S $\frac{1}{2}$  of Section 4. Maralo, Inc. ("Maralo") has given Marathon a term assignment of its interest in the N $\frac{1}{2}$  of Section 4, which will be the first well drilled. Once that well is drilled and completed, Maralo can and will make a decision as to whether to join, or farmout or assign its interest, in the S $\frac{1}{2}$  well. Maralo is willing and able to make such a decision after the N $\frac{1}{2}$  well is drilled and completed. Thus, pooling of its interest in Case 11884 is premature and improper.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

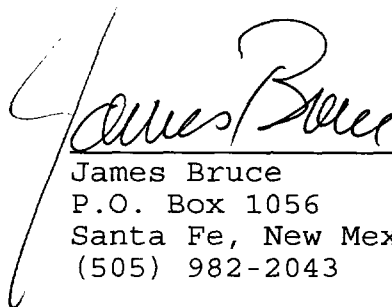
Richard Gill  
(engineer)

10 minutes

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**PROCEDURAL MATTERS**

-None-



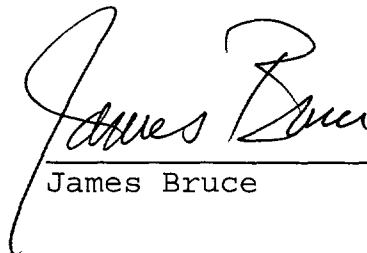
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Attorney for Maralo, Inc.

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