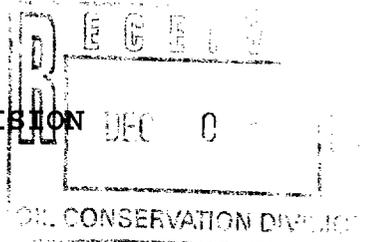


BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION



APPLICATION OF MARALO, INC. FOR
AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

NO. 11912

APPLICATION

Maralo, Inc. hereby applies for an order approving an unorthodox oil well location, and in support thereof states:

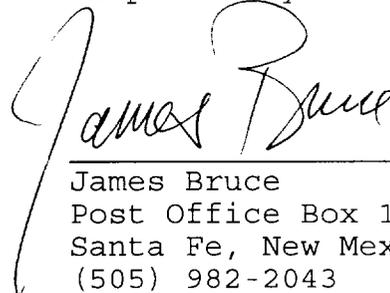
1. Applicant is a working interest owner in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, Township 23 South, Range 30 East, NMPM, and has the right to drill a well thereon.

2. Applicant proposes to drill its Gold Rush "30" Federal Well No. 8, at an unorthodox oil well location 2310 feet from the South line and 2600 feet from the East line of the section, to a depth sufficient to test the Delaware formation (Nash Draw-Brushy Canyon Pool).

3. The granting of the unorthodox oil well location will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

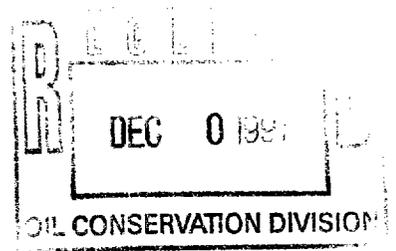
WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order granting the unorthodox location.

Respectfully submitted,


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Maralo, Inc.

PROPOSED ADVERTISEMENT



Case 1912: Application of Maralo, Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks approval to drill its Gold Rush "30" Federal Well No. 8 at an unorthodox oil well location 2310 feet from the South line and 2600 feet from the East line (Unit J) of Section 30, Township 23 South, Range 30 East, to the base of the Delaware formation, said location being unorthodox for all oil producing formations and/or pools, and if productive to be dedicated to a standard 40-acre oil spacing and proration unit comprised of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30. Said unit is located approximately 10.5 miles east of Loving, New Mexico.

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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December 30, 1997

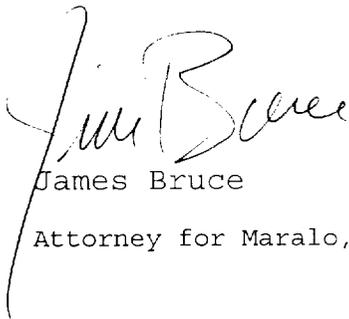
Hand Delivered

Florene Davidson
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Florene:

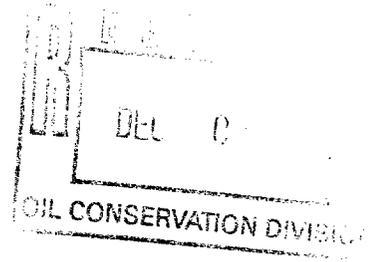
Enclosed are an original and two copies of an application for an unorthodox oil well location, and a proposed advertisement, filed on behalf of Maralo, Inc. Please set this matter for the January 22, 1998 Examiner hearing.

Very truly yours,



James Bruce

Attorney for Maralo, Inc.



11912