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OIL CONSERVATION DIV.

99 SEP 23 AM 11:29

September 3, 1999

Hand Delivered

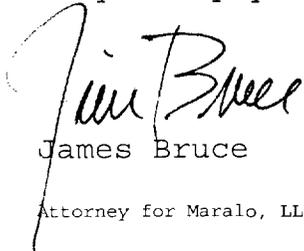
Florene Davidson
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Case 12254

Dear Florene:

Enclosed are an original and two copies of an application for lease commingling, etc., together with a proposed advertisement, filed on behalf of Maralo, LLC. Please set this matter for the October 7, 1999 hearing. Thank you.

Very truly yours,


James Bruce
Attorney for Maralo, LLC

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MARALO, LLC FOR AN EXCEPTION TO DIVISION RULES 305 AND 309 TO PERMIT LEASE COMMINGLING AND APPROVAL OF A CENTRAL DELIVERY POINT, LEA COUNTY, NEW MEXICO.

No. 12259

09 SEP 3 11:29 AM
NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION

Maralo, LLC applies for an exception to Division Rules 305 and 309 to permit (i) production of casinghead gas without separately metering production, (ii) lease commingling, and (iii) a central delivery point for gas production, and in support thereof, states:

1. Applicant is the operator of federal leases covering the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 13, Township 18 South, Range 32 East, N.M.P.M., as to the West Corbin-Delaware Pool. Interest ownership varies in the leases.

2. Applicant proposes to commingle gas production from the West Corbin-Delaware Pool from 5 wells located on the subject leases and lands, and deliver it to a central delivery point to be located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ (Unit P) of Section 13, without separately metering production, by allocating gas production to each well and to each lease on the basis of monthly well tests. The wells involved are as follows:

<u>Well Name</u>	<u>Location</u>
Corbin 13 A Fed. No. 1	Unit I §13
Corbin 13 A Fed. No. 2	Unit J §13
Corbin 13 A Fed. No. 3	Unit O §13
Uncle Sam 13 Fed. No. 1	Unit H §13
West Corbin 13 Fed. No. 1	Unit P §13

3. Notice of this application has been given to all interest owners in the leases, by certified mail.

4. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that the Division approve the relief requested herein.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

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

Attorney for Maralo, LLC

PROPOSED ADVERTISEMENT

Case 12754:

Application of Maralo, LLC for an exception to Division Rules 305 and 309 to permit lease commingling and approval of a central delivery point, Lea County, New Mexico. Applicant seeks an exception to Division Rules 305 and 309 to permit lease commingling of West Corbin-Delaware Pool gas production from 5 wells located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 13, Township 18 South, Range 32 East, N.M.P.M., without separately metering production from each well. Applicant also requests approval of a central delivery point for the gas production, to be located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 13. The lands are located approximately 8 $\frac{1}{2}$ miles south-southeast of Maljamar, New Mexico.

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