

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*
KAREN AUBREY†

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

†ALSO ADMITTED IN ARIZONA

JASON KELLAHIN (RETIRED 1991)

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

May 5, 1992

Mr. William J. LeMay
Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail, 2nd Floor
Santa Fe, New Mexico 87501

HAND DELIVERED

10480

Re: Application of Marathon Oil Company
for Compulsory Pooling, Lea County,
New Mexico

RECEIVED

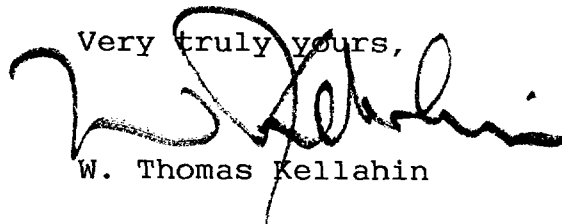
Dear Mr. LeMay:

On behalf of Marathon Oil Company, we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner's docket now scheduled for May 28, 1992.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to file a pre-hearing statement with the Division and send a copy to the undersigned not later than 4:00 PM on May 22, 1992.

In addition, these potential parties are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK/jcl
Enclosures

Mr. William J. LeMay
May 5, 1992
Page 2

cc: Mr. Thomas Lowry, Esq.
Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

cc: Certified mail return receipt
All Offsetting Parties Listed on
Exhibit "A" of Application

appt504.092

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

IN THE MATTER OF THE APPLICATION
OF MARATHON OIL COMPANY FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

NO. 10480

A P P L I C A T I O N

COMES NOW MARATHON OIL COMPANY by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the ~~Wolfcamp~~ ~~formation~~ underlying the following described acreage in the S/2 of Section 1, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico in the following manner:

The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Lea Wolfcamp Gas Pool.

In support thereof, Applicant states:

1. Applicant is a working interest owner in the S/2 of Section 1, T20S, R35E, N.M.P.M., Lea County, New Mexico.

2. Applicant desires to re-enter the Amoco Selby #1 well previously drilled at a standard location 660 feet from the South line and 1980 feet from the West line of said Section 1, and to deepen the well to a total depth of 11,500 feet into the top of the Pennsylvanian formation.

3. Applicant is informed and believes that the working interest/mineral owners entitled to participate in and pay for the costs of the subject well are as shown on Exhibit "A" attached hereto.

4. Applicant has sought the voluntary agreement of all those parties shown on Exhibit "A" for the formation of the appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on

Exhibit "A" of this application for compulsory pooling and its request for a hearing on May 28, 1992 by sending those parties a copy of this application and cover letter.


6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interest involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, that the order make provisions for applicant to recover out of production its costs of drilling, completing and equipping it, and costs of operation, including costs of supervision and a risk factor in the amount to be determined by the Division for the drilling and completion of the well and for such other and further relief as may be proper.

Application of Marathon Oil Company
Page 4

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 
W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

WTK/jcl
appt504.092

EXHIBIT "A"

Mobil Producing of Texas & NM, Inc. 12450 Greenspoint Drive Houston, Texas 77060 ATTN: Karen Bowman	12.5%
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Mitchell Energy Corporation 400 W. Illinois, Suite 1000 Midland, Texas 79701	42.6%
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Exxon Oil Company 3300 North A Street Post Office Box 1600 Midland, Texas 79702-1600 ATTN: Joe Thomas	12.5%
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Marathon Oil Company Post Office Box 552 Midland, Texas 79702 ATTN: Thomas Lowry, Esq.	32.4%
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ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
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3. Applicant is informed and believes that the working interest/mineral owners entitled to participate in and pay for the costs of the subject well are as shown on Exhibit "A" attached hereto.

4. Applicant has sought the voluntary agreement of all those parties shown on Exhibit "A" for the formation of the appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on

Exhibit "A" of this application for compulsory pooling and its request for a hearing on May 28, 1992 by sending those parties a copy of this application and cover letter.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interest involved in order to protect applicant's correlative rights and prevent waste.

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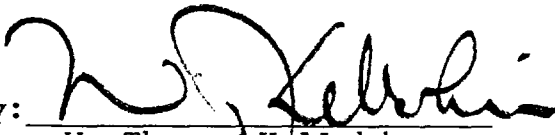
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