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JASON KELLAHIN (RETIRED 1991)

**FACSIMILE COVER SHEET**

TO: Florene Davidson FROM: W. THOMAS KELLAHIN, ESQ.  
OF: OIL CONSERVATION DIVISION FAX #: 505 827 8177  
Santa Fe  
DATE: 12/ 13/ 1994 TIME: 2:15 PM  
PAGES: 9 with cover sheet A HARD COPY WILL FOLLOW.  
REF: Application of Manzano Oil Corporation,  
Chaves County, New Mexico.  
Pre-hearing Statement

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**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:**

**CASE NO. 11166**

**APPLICATION OF MANZANO OIL CORPORATION  
FOR AN UNORTHODOX OIL WELL LOCATION,  
CHAVES COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by MARATHON OIL COMPANY as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

Manzano Oil Corporation

**ATTORNEY**

William F. Carr, Esq.  
P. O. Box 2208  
Santa Fe, New Mexico 87504

**OPPOSITION**

Marathon Oil Company  
Box 552  
Midland, Texas 79702  
Attn: Dow Campbell, Esq.

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**Pre-Hearing Statement**  
**Case No. 11166**  
**Page 2**

## **STATEMENT OF CASE**

### **OPPOSITION OR OTHER PARTY**

Manzano Oil Corporation seeks to drill a Devonian Oil well at an unorthodox well location.

The subject well is 182 feet instead of 330 feet from the Marathon Oil Company's offsetting spacing unit.

The Division should deny this well location. However, if it is allowed to produce at all, its production should be subject to the maximum production penalty authorized by the Division.

## **PROPOSED EVIDENCE**

### **OPPOSITION**

#### **WITNESSES**

#### **EST. TIME**

#### **EXHIBITS**

Applicant provided insufficient time to Marathon for preparation of witnesses and evidence in this case and therefore Marathon has been unable to prepare its opposition.

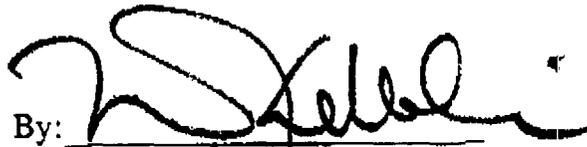
Pre-Hearing Statement  
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### PROCEDURAL MATTERS

#### Motion to Continue:

Applicant's attorney, who has appeared for and against Marathon in other matters, knew or should have known that Marathon's appearances before the Division are handled by its attorneys in its regional office in Midland Texas. However, rather than send notice to Midland, Applicant's attorney sent the notice of hearing to Marathon's field office in Hobbs, New Mexico. The subject notice was not received by Marathon's attorney in Midland until December 13, 1994. Accordingly, Marathon requests that this matter be continued to the January 5, 1995 docket in order to provide a sufficient opportunity for Marathon to prepare its presentation.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
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~~CONFIDENTIAL~~  
C.T. Knud  
Your Com.

November 16, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Marathon Oil Company  
Post Office Box 2409  
Hobbs, New Mexico 88240

**RECEIVED**  
Marathon Oil Company

DEC 13 1994

LAW DEPARTMENT  
Mid-Continent Region

Re: Application of Manzano Oil Corporation for an Unorthodox Well Location,  
Chaves County, New Mexico

Gentlemen:

This letter is to advise you that Manzano Oil Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of an unorthodox well location for its McClellan Federal No. 1 Well in the Devonian formation. This well is to be drilled at an unorthodox location 182 feet from the North line and 507 feet from the West line of Section 26, Township 13 South, Range 29 East, N.M.P.M., Chaves County, New Mexico. The NW/4 NW/4 of Section 26 will be dedicated to this well.

This application has been set for hearing before an Examiner of the Oil Conservation Division on December 15, 1994. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

*Tanya Trujillo*  
Tanya M. Trujillo

RECEIVED

NOV 18 1994

NORTHWEST OPERATING

TMT:mlh  
Enclosure

## BEFORE THE

## OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MANZANO OIL CORPORATION  
FOR AN UNORTHODOX OIL WELL LOCATION,  
CHAVES COUNTY, NEW MEXICO.

CASE NO. \_\_\_\_\_

APPLICATION

COMES NOW MANZANO OIL CORPORATION, through its undersigned attorneys, and hereby makes application for an order approving an unorthodox well location, and in support thereof states:

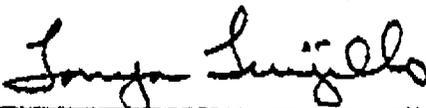
1. Applicant is the operator of the NW/4 NW/4 of Section 26, Township 13 South, Range 29 East, N.M.P.M., Chaves County, New Mexico on which it proposes to drill its McClellan Federal No. 1 Well as a wildcat well in the Devonian formation, 182 feet from the North line and 507 feet from the West line in Unit D of said Section 26.
2. Applicant seeks an exception to Division's well location requirements to permit the drilling of said well in the Devonian formation at the above-described location.
3. A standard 40-acre spacing and proration unit comprised of the NW/4 NW/4 of said Section 26 should be dedicated to the well.
4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the gas in the Devonian formation and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of

waste.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 15, 1994, that notice be given as required by law, the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR  
TANYA M. TRUJILLO  
Post Office Box 2200  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MANZANO  
OIL CORPORATION





NOV 1 1990

CERTIFIED  
P 111 333 048  
MAIL

Marathon Oil Company

Post Office Box 2409

Hobbs, New Mexico 88240

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& SHERIDAN, P.A.

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