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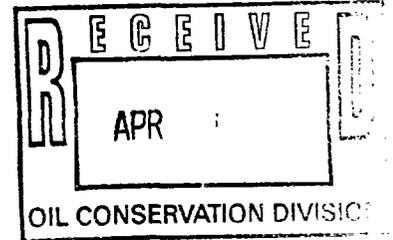
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April 11, 1995

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505



11281

Re: Application of Maralo, Inc. for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Maralo, Inc. in the above-referenced case as well as a copy of a legal advertisement. Maralo, Inc. respectfully requests that this matter be placed on the docket for the May 4, 1995 Examiner hearings.

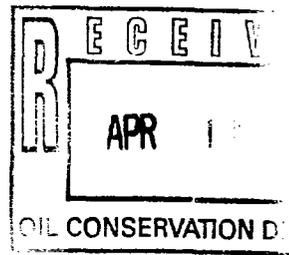
Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

WILLIAM F. CARR

Enclosures

cc: Mark Wheeler



BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MARALO, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 11281

APPLICATION

MARALO, INC., through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests in the SE/4 NW/4 of Section 4, Township 24 South, Range 29 East,, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant owns or represents over 40% of the working interest in the SE/4 NW/4 of said Section 4, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its C F Canyon Federal No. 1 well to be drilled as a wildcat well at a standard location in the SE/4 NW/4 of said Section 4, at a point 1980 feet from the North line and 1650 feet from the West line to a depth sufficient to test any and all formations from the surface to the base of the Bone Springs formation.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the SE/4 NW/4 of said Section 4.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on May 4, 1995 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, & BERGE, P.A.

By: 

WILLIAM F. CARR
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Santa Fe, New Mexico 87504
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ATTORNEYS FOR MARALO, INC.

CASE 11281:

Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the SE/4 NW/4 of Section 4 for all formations developed on 320-acre spacing and in the SE/4 NW/4 of Section 4 for all formations in Township 24 South, Range 29 East. Said unit is to be dedicated to the C F Federal No. 1 Well to be drilled at a standard location 1980 feet from the North line and 1650 feet from the West line of said Section 4 and drilled as a wildcat well to the Bone Springs formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately _____ miles _____ of _____, New Mexico.