

KELLAHIN AND KELLAHIN

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W. THOMAS KELLAHIN*

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

JASON KELLAHIN (RETIRED 1991)

April 4, 1997

TO: ALL INTERESTED PARTIES ENTITLED TO NOTICE
OF THE HEARING OF THE FOLLOWING NEW MEXICO
OIL CONSERVATION DIVISION CASE:

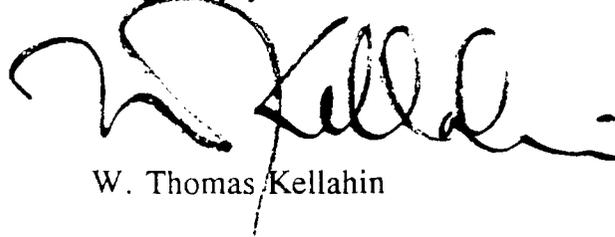
*Re: Application of Marathon Oil Company
for Compulsory Pooling and an Unorthodox
Gas Well Location, Eddy County, New Mexico*

On behalf of Marathon Oil Company, please find enclosed our application for an compulsory pooling and an unorthodox gas well location for its W. B. Travis "15" State Com Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for May 1, 1997. The hearing will be held at the Division hearing room located in Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, April 25, 1997, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

cc: BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED
to all parties listed in application

EXHIBIT "A"

Atlantic Richfield Company ("ARCO")
P. O. Box 1610
Midland, Texas 79702-1610
Attn: Lee Scarborough

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Janet Richardson

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Prkwy, Ste 600
Oklahoma City, OK 73134
Attn: Rusty Waters

Exxon Company USA
P. O.Box 1600
Midland, Texas 79702-1600
Attn: Doug Laufer

Devon Energy Corporation
20 N. Broadway, Ste 1500
Oklahoma City, OK 73102
Attn: Ken Gray

EXHIBIT "B"

Atlantic Richfield Company ("ARCO")
P. O. Box 1610
Midland, Texas 79702-1610
Attn: Lee Scarborough

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Janet Richardson

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Prkwy, Ste 600
Oklahoma City, OK 73134
Attn: Rusty Waters

SENDER
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Marathon
 Travis 15 Well #1
 May 1, 1997 4/4/97

I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

can return this does not number, the date
 4a. Article Number PSS1 048 411

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

3. Article Addressed to:
 Devon Energy Corporation
 20 N. Broadway, Ste. 1500
 Oklahoma City, OK 73102
 Attn: Ken Gray

5. Received By: (Print Name)
 Signature: (Addressee or Agent)
 X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

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Marathon
 Travis 15 Well #1
 May 1, 1997 4/4/97

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can return this does not number, the date
 4a. Article Number PSS1 048 412

4b. Service Type
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 Return Receipt for Merchandise COD

7. Date of Delivery APR 08 1997

3. Article Addressed to:
 Exxon Company USA
 P.O. Box 1600
 Midland, TX 79701-1600
 Attn: Doug Leuder

5. Received By: (Print Name)
 Signature: (Addressee or Agent)
 X

8. Addressee's Address (Only if requested and fee is paid)

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4b. Service Type
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7. Date of Delivery

3. Article Addressed to:
 JOANN GRIGGS
 Signature: (Addressee or Agent)
 X

8. Addressee's Address (Only if requested and fee is paid)

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7. Date of Delivery

3. Article Addressed to:
 Louis Dreyfus Natural Gas
 14000 Quail Springs Prkwy
 Suite 600
 Oklahoma City, OK 73134
 Attn: Rusty Waters

5. Received By: (Print Name)
 Signature: (Addressee or Agent)
 X

8. Addressee's Address (Only if requested and fee is paid)

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 May 1, 1997 4/4/97

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 Restricted Delivery
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3. Article Addressed to:
 Atlantic Richfield Company
 ("ARCO")
 P.O. Box 1610
 Midland, TX 79702 1610
 Attn: Lee Scarborough

4a. Article Number
 P551 048 415
 4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD
 7. Date of Delivery APR 08 1997

5. Received By: (Print Name)
 K. H. ...

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

CASE NO. 11774

**APPLICATION OF MARATHON OIL COMPANY
FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION,
EDDY 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

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702
(915) 687-8144
attn: Thomas C. Lowry, Esq.

ATTORNEY

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

STATEMENT OF CASE

Marathon has a working interest ownership in the oil and gas minerals from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the S/2 of Section 11, T18S, R28E, NMPM, Eddy County, New Mexico.

The subject tract is located within one-mile of the current boundaries of the South Empire-Morrow Gas Pool.

The subject well is to be drilled at an unorthodox gas well location 1000 feet from the South and 700 feet from the East line (Unit P) of Section 11 to test any and all formations in the pooled interval from 500 feet below the top of the San Andres formation to the base of the Morrow formation and to be dedicated to the appropriate sized spacing unit for the appropriate pool.

Despite its good faith efforts, Marathon has been unable to obtain a written voluntary agreement from all of the parties.

The unorthodox location is necessary in order to satisfy geologic requirements. This location encroaches towards portions of adjoining Sections 12 and 13.

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

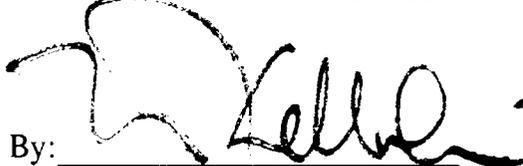
Tim Robertson (landman)
Bill DeMis (geologist)

20 Min. 6 exhibits
15 Min. 4 exhibits

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN



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