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TELEPHONE (505) 982-4285  
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September 25, 1990

RECEIVED

SFP 25 1990

OIL CONSERVATION DIVISION

Mr. William J. LeMay  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

HAND DELIVERED

Re: Application of Marathon Oil Company  
for a Special Oil Allowable for the  
Tamano Bone Springs Oil Pool,  
Eddy County, New Mexico

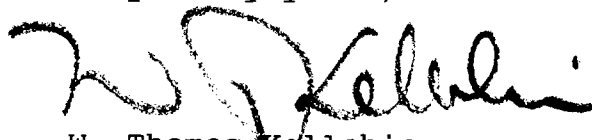
10115

Dear Mr. LeMay:

On behalf of Marathon Oil Company please find enclosed our application in the referenced matter which we would appreciate being set for hearing at the next available Examiner's docket of October 17, 1990.

By copy of this application and letter, sent by certified mail return receipt we are notifying all operators within the pool and all operators within one mile of the outer boundary of said pool of this application of their right to appear at the hearing and to participate in this hearing, including the right to present evidence either in support of or in opposition to this application.

Very truly yours,



W. Thomas Kellahin

WTK/tic  
Enclosure

xc: Marathon Oil Company

Certified Mail Return Receipt  
All Parties listed on Exhibit B  
to application

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

RECEIVED

SFP 28 1990

IN THE MATTER OF THE APPLICATION  
OF MARATHON OIL COMPANY FOR A  
SPECIAL OIL ALLOWABLE FOR THE  
TAMANO BONE SPRINGS OIL POOL  
EDDY COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

CASE NO. 10115

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 a Special Oil Allowable for the Tamano Bone Springs Oil Pool, Eddy County, New Mexico, as more specifically described as follows:

1. By Order R-7958, dated July 1, 1985, the Division created the Tamano Bone Springs Oil Pool, whose vertical limits encompass the entire Bone Springs formation and whose current horizontal limits comprise the S/2 Section 2; all of Section 11; SW/4 Section 12 and the W/2 of Section 14, T18S, R31E, N.M.P.M., Eddy County, New Mexico.

2. Applicant is the operator of ten currently producing wells in the Pool.

3. The location of the wells in the Pool is as set forth on Exhibit A attached hereto.

4. There are currently sixteen wells completed in and producing from the Pool of which a top unit allowable for the Pool on statewide rules allows for production not in excess of 230 barrels of oil per day at a GOR of 2,000 to 1.

5. Applicant seeks authority to operate wells in the Pool at twice the current maximum allowable or a maximum daily rate not in excess of 460 BOPD.

6. The names and addresses of the Operators in the Pool to whom notice has been sent by a copy of this Application are set forth on Exhibit B to this Application.

7. That the proposed Special Allowable is necessary in order to meet market demand and will not be in excess of the most efficient rate of production for the proper development and depletion of the pool thereby preventing waste and protecting correlative rights.

8. Applicant requests that this Application be set for hearing on the Examiner's docket now scheduled for October 17, 1990.

WHEREFORE, Applicant requests that this Application be set for hearing and that after notice and hearing the Application be granted as requested.

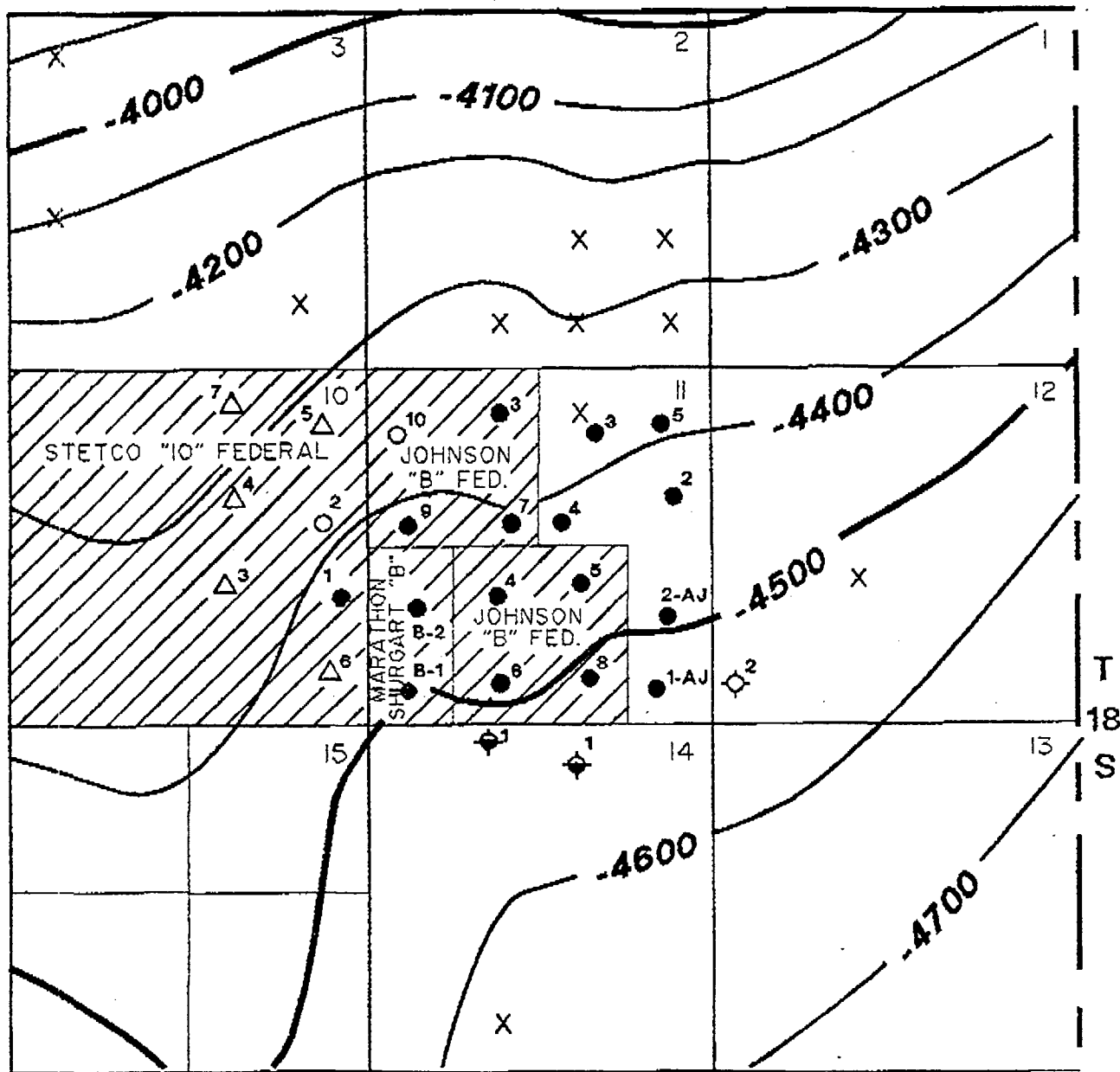
Respectfully submitted

KELLAHIN, KELLAHIN & AUBREY

By: 

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

R-31-E



X = PENETRATION

C.I.: 100'

NEW  
MEXICO

- BONE SPRING SECOND CARBONATE PRODUCER
- ONGOING COMPLETION BONE SPRING SECOND CARBONATE COMPLETION
- △ PROPOSED BONE SPRING SECOND CARBONATE LOCATION

MARATHON OIL COMPANY  
MID-CONTINENT REGION

**TAMANO BONE SPRING**  
EDDY COUNTY, NEW MEXICO

**SUBSURFACE STRUCTURE MAP**  
**TOP OF 2nd CARBONATE**



SEPTEMBER 1990

OPERATORS

TAMANO FIELD AREA  
TOWNSHIP 18 SOUTH, RANGE 31 EAST  
EDDY COUNTY, NEW MEXICO

Operators in and around known Bone Spring Second Carbonate production,  
Sections 10 and 11:

ARCO Oil and Gas Company  
P. O. Box 1610  
Midland, Texas 79702

HEYCO - Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88201

Hudson, W. A. and Hudson, E. R.  
616 Texas Street  
Fort Worth, Texas 76102-4612

Marathon Oil Company  
P. O. Box 552  
Midland, Texas 79702

Meridian Oil, Inc.  
21 Desta Drive  
Midland, Texas 79705

Read and Stevens, Inc.  
P. O. Box 1518  
Roswell, New Mexico 88201

Yates Energy Corporation  
Sunwest Center, Ste. 1010  
Roswell, New Mexico 88201

Exhibit B