

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

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

CASE NO. 9132

APPLICATION

Comes now MARATHON OIL COMPANY, by and through its undersigned attorneys, and as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Atoka and Morrow formations in and under the N/2 of Section 17, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 37.5% of the working interest in and under the N/2 of Section 17, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its North Vacuum State No. 17 "Com. No. 1" Well located at a standard location 1980 feet from the North and West lines of said Section 27.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 of said Section 17, except for the following working interest owners:

Mobil Producing Texas and New Mexico, Inc. 25% W.I.
Post Office Box 633
Midland, Texas 79702

Phillips Petroleum Company 25% W.I.
4001 Penbrook
Odessa, Texas 79762

Chevron U.S.A., Inc. 12.5% W.I.
Post Office Box 1150
Midland, Texas 79702

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, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

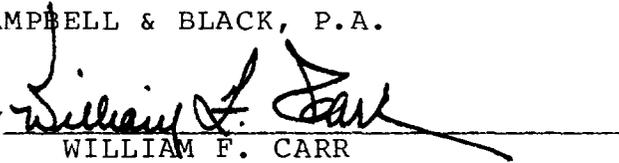
WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 6, 1987, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its 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,

and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR MARATHON
OIL COMPANY