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Of Counsel

RECEIVED

May 12, 1987

MAY 12 1987

OIL CONSERVATION DIVISION

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

"Hand Delivered"

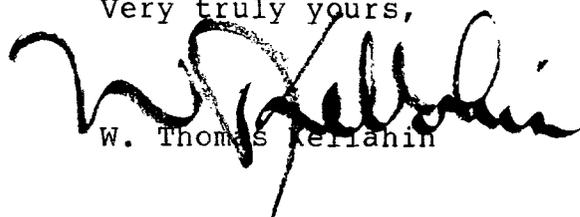
Re: Application of Marathon Oil Company
for Creation of a New Siluro-
Devonian Oil Pool, Lea County,
New Mexico

Dear Mr. LeMay:

On behalf of Marathon Oil Company, please find enclosed our application for an Examiner's hearing to be set for June 3, 1987, in which we seek the creation of a new oil pool.

By copy of this letter, we are also sending a copy of the application to all interested parties so that they may appear at the hearing either in support of or opposition to the application. Should any party desire more information about their rights on the subject matter of this application, they may call me.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

BEFORE THE OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY AND MINERALS

RECEIVED

MAY 12 1987

IN THE MATTER OF THE APPLICATION
OF MARATHON OIL COMPANY FOR
POOL CREATION, SPECIAL POOL RULES
AND DISCOVERY ALLOWABLE, LEA COUNTY,
NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 87-0005

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 an order creating a new oil pool for the Siluro-Devonian formation, comprising the S/2SE/4 of Section 14, T16S, R38E, NMPM, and the promulgation of temporary special rules and regulations therefore, including a provision for 80-acre spacing and proration units and designated well locations requirements, and in support thereof would show:

1. Applicant is the operator of the Benson #1 Well located in Unit P, Section 14, T16S, R38E, Lea County, New Mexico.
2. The Applicant has drilled and completed the subject well in the Siluro-Devonian formation.
3. The subject well constitutes the discovery of a new Siluro-Devonian oil reservoir.

4. In order to effectively, efficiently and economically operate, develop, and produce this reservoir, special rules and regulations should be adopted, including a provision for 80-acre spacing and proration units.

5. The Special rules and regulations should be established for a temporary period of 24 months in which to adequately develop data concerning this reservoir.

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

Kellahin, Kellahin & Aubrey



W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Working Interest Owners in S/2SE/4, Section 14

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

Mr. James A. Davidson
P. O. Box 494
Midland, Texas 79702

Fred G. Yates, Inc.
Yates Energy Corporation
SunWest Center, Suite 1010
Roswell, New Mexico 88201

Harvey E. Yates
Explorers Petroleum Corporation
Spiral, Inc.
P. O. Box 1933
Roswell, New Mexico 88201

Operators within One Mile Outer Boundary of S/2SE/4

Section 14

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

AMOCO Production Company
501 Westlake Park Blvd.
P. O. Box 3092
Houston, Texas 77253

Amerada Hess Corporation
1625 Broadway, Suite 2200
Denver, Colorado 80202

Yeager Properties
Suite 200, Petroleum Building
214 West Texas
Midland, Texas 79701

Texaco Inc.
P. O. Box 2100
Denver, Colorado 80201

BTA Oil Producers
104 South Pecos
Midland, Texas 79701-9988

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Conoco Inc.
P. O. Box 1959
Midland, Texas 79702

Dan O'Neill
P. O. Box 4831
Midland, Texas 79704