

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF MARATHON OIL COMPANY FOR THE  
AMENDMENT OF DIVISION ORDER R-8282  
AND ORDER R-8282-A, LEA COUNTY,  
NEW MEXICO.

CASE:

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 amending Division Order R-8282 and Order R-8282-A, and as grounds therefore states:

1. On August 21, 1986, the Division entered Order R-828 which approved Marathon's compulsory pooling application for the SE/4SE/4 of Section 14, T16S, R38E, Lea County, New Mexico.

2. On November 4, 1986, the Commission entered Order R-8282-A which affirmed the earlier Examiner Order.

3. James A. Davidson is a working interest owners in the SE/4 of said Section.

4. After notice and hearing, Mr. James A. Davidson's interest in the minerals underlying the SE/4SE/4 of said Section were pooled pursuant to Order R-8282 and R-8282-A.

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION <i>Marathon</i> EXHIBIT NO: <u>19</u> CASE NO. <u>9145-9146</u>
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5. In accordance with the terms and conditions of those orders, Mr. Davidson was notified and failed to timely pay his share of the costs of the subject well and is therefore a non-consenting pooled party.

6. Pursuant to the referenced orders, the applicant, Marathon Oil Company drilled and completed its Benson #1 well located in Unit P of said Section 14.

7. Said well has been completed and constitutes a discovery of a new Siluro-Devonian Oil Pool.

8. Applicant has filed an application with the Oil Conservation Division to create a new oil pool for said discovery and to establish special rules and regulations, including a provision for 80-acre spacing.

9. Should the Division approve the pending pool creation application, then Division Order R-8282 and R-8282-A should be amended to include the SW/4SE/4 of Section 14 in order to form a standard 80-acre spacing unit.

10. That the parties listed on Exhibit A are all of the parties that may have an interest in this case.

11. That the parties and their respective percentages are the same in the SE/4SE/4 as in the SW/4SE/4 of said Section 14.

12. In order to obtain their just and equitable share of the production underlying the above described

lands, the balance of the terms and provisions of Order R-8282 and R-8282-A should remain in full force and effect.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing the application be granted as requested.

Kellahin, Kellahin & Aubrey

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin". The signature is written in a cursive style with a large, sweeping initial "W".

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

Parties Pooled - Did not Pay Share of Well Costs

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