

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11040
(Reopened)

IN THE MATTER OF CASE NO. 11040
BEING REOPENED PURSUANT TO THE
PROVISIONS OF DIVISION ORDER NO.
R-5353-O-1, WHICH ORDER PROMULGATED
TEMPORARY SPECIAL RULES AND
REGULATIONS FOR THE BURTON FLAT-
BONE SPRING ASSOCIATED POOL IN
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Maralo, Inc.
c/o Richard Gill
Post Office Box 832
Midland, TX 79702
(915) 684-7441

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Maralo Inc., original applicant in the above-styled cause, will present testimony in support of the adoption of permanent rules for the Burton Flat-Bone Spring Associated Pool.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Pre-hearing Statement
NMOCD Case No. 11040 (Reopened)
Page 3

PROPOSED EVIDENCE

APPLICANT

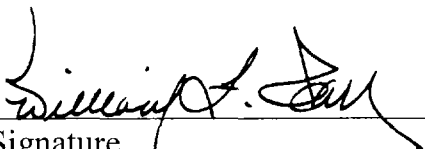
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Shane Lough, Geologist	10 Min.	Approximately 3
Richard Gill, Petroleum Engineer	15 Min.	Approximately 6

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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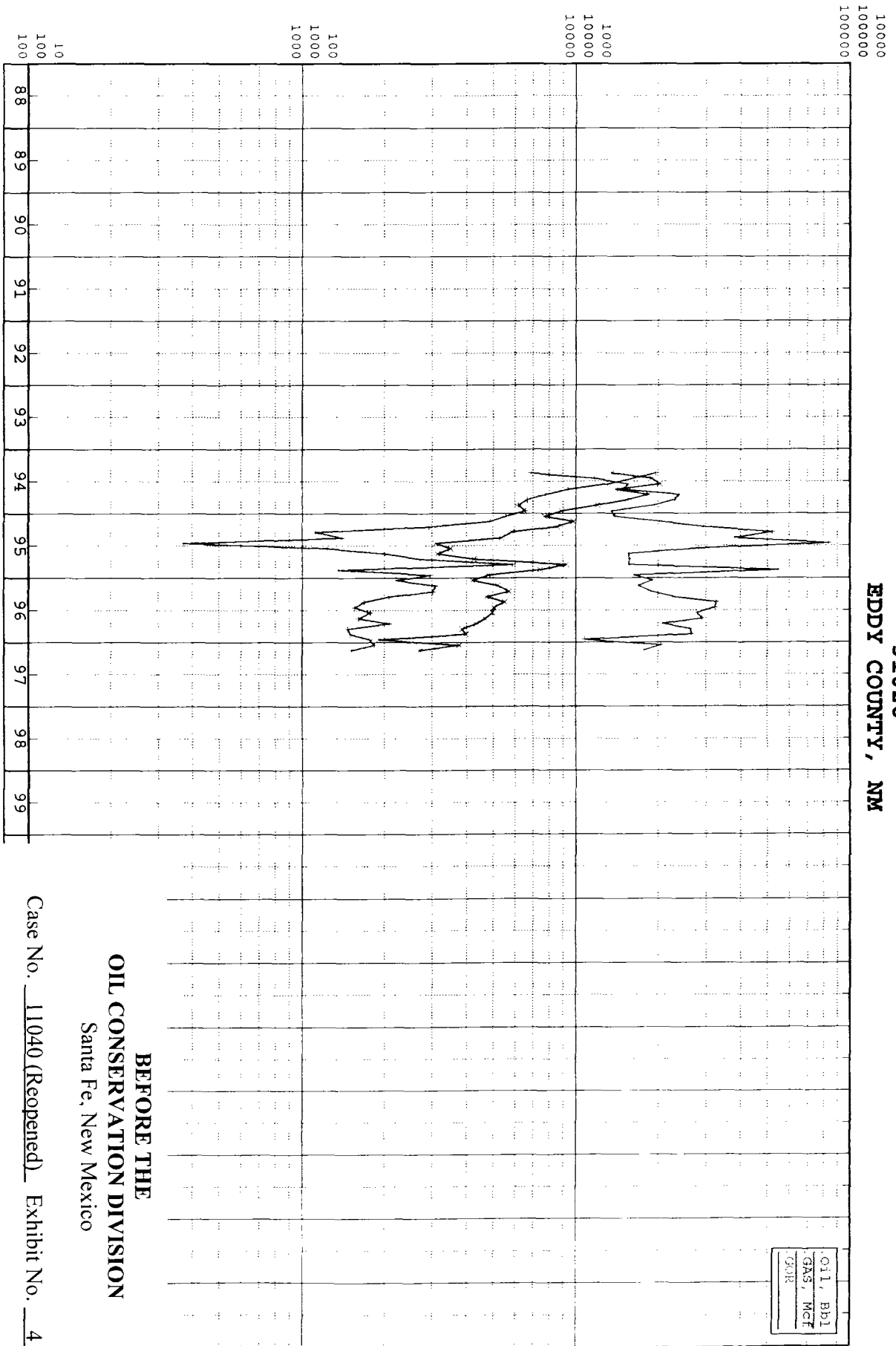
PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature

KEYSTONE #1
31028
EDDY COUNTY, NM



OIL Bbl
 GAS MCF
 GOR

BEFORE THE
OIL CONSERVATION DIVISION
 Santa Fe, New Mexico

Case No. 11040 (Reopened) Exhibit No. 4

Submitted by: Maralo, Inc.

Hearing Date: March 20, 1997

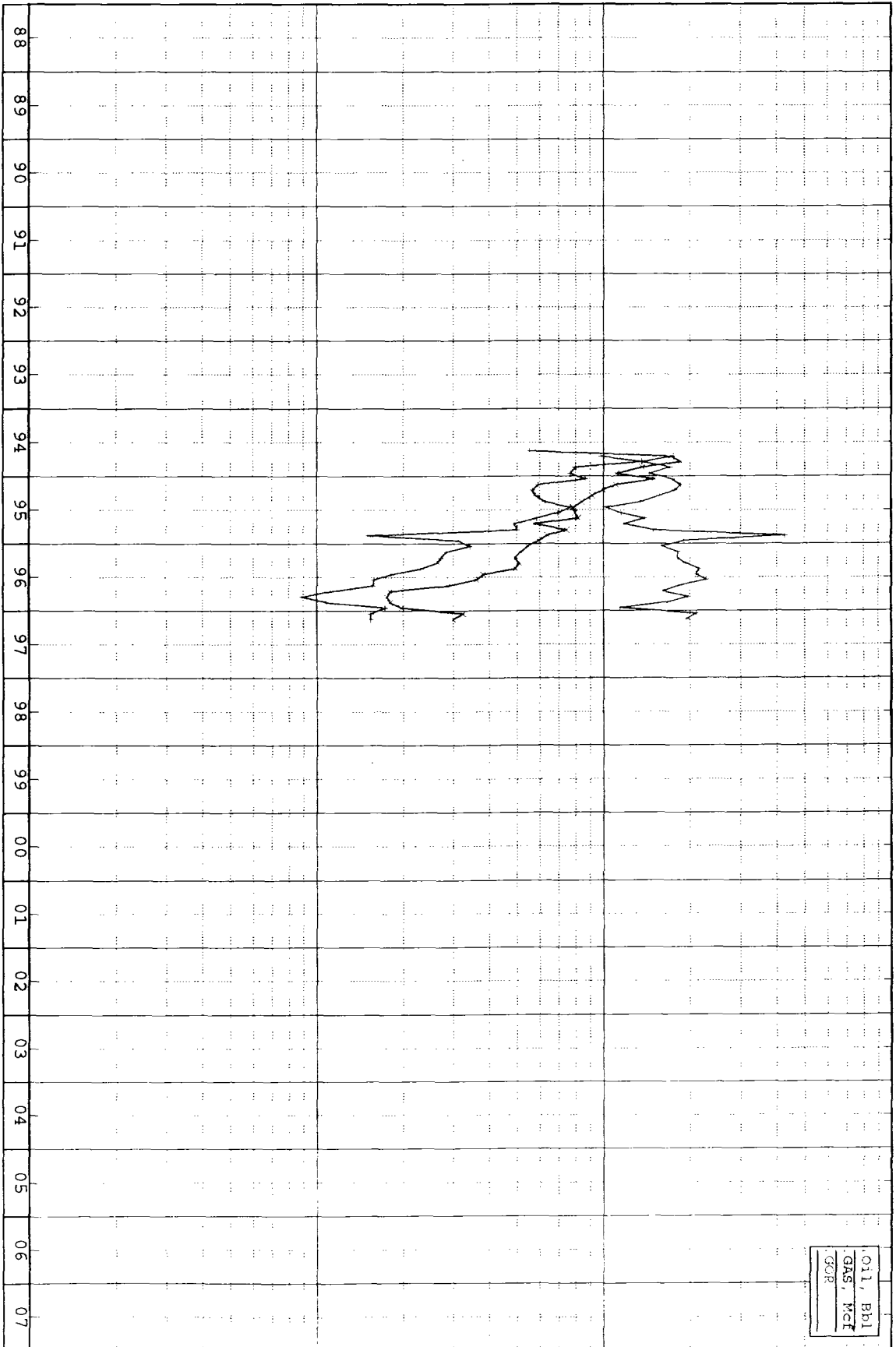
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MARALO INC

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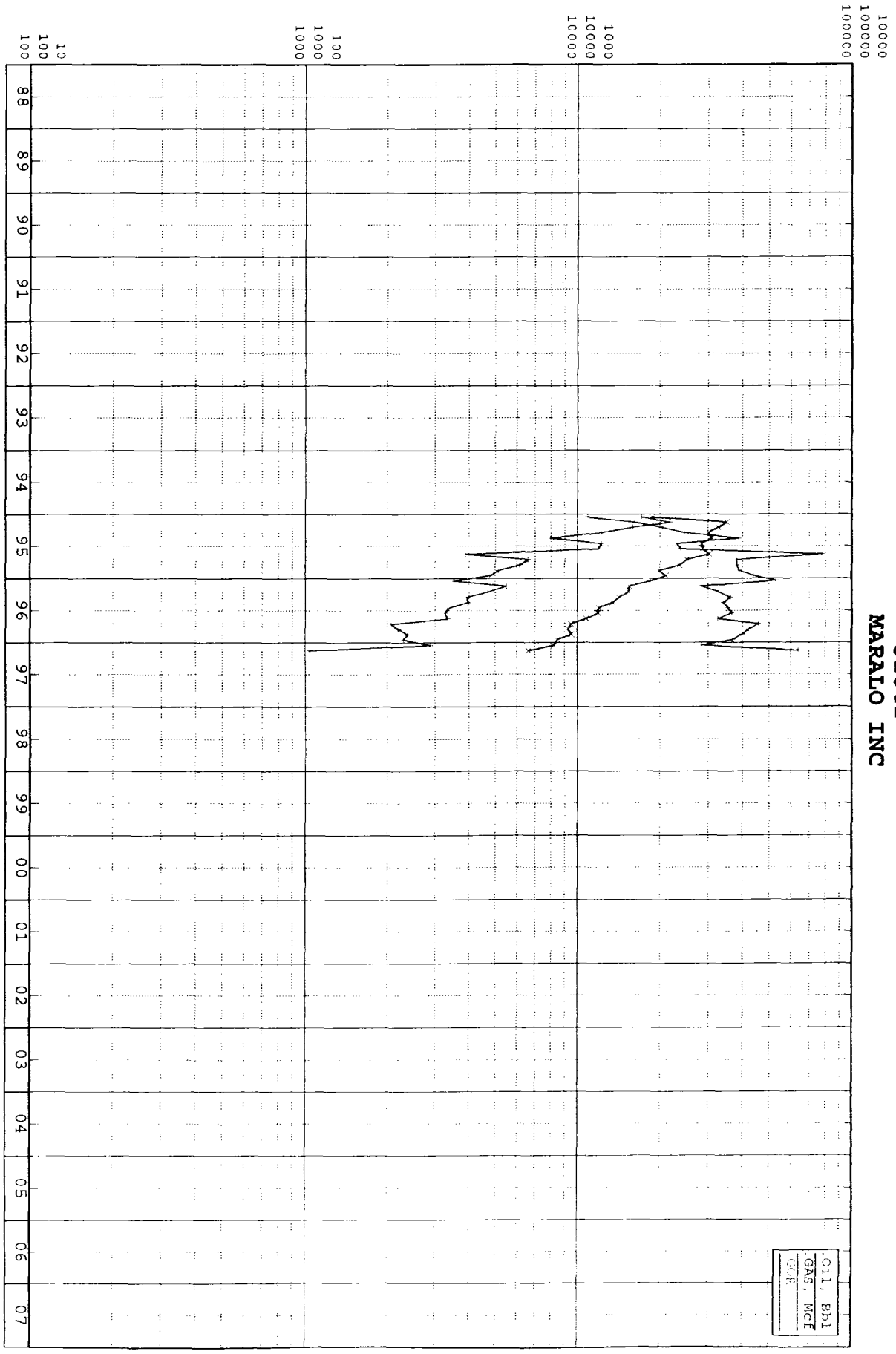
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Oil, Bbl
 Gas, Mcf
 GOR

Time, Years

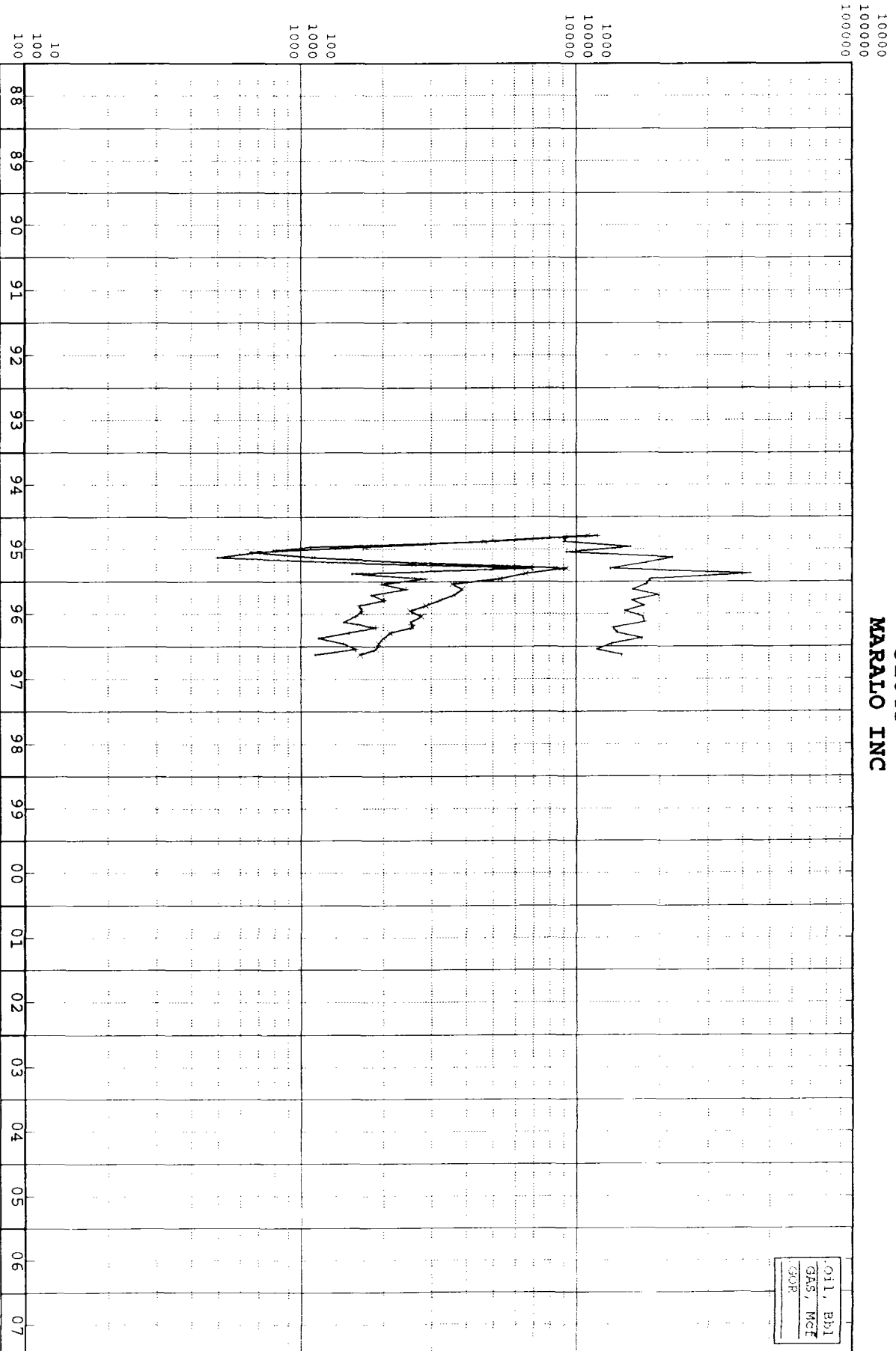
KEYSTONE #4
31042
MARALIO INC



Time, Years

Oil, bbl
 Gas, MCF
 G.P.

KEYSTONE #5
31045
MARALO INC



Time, Years

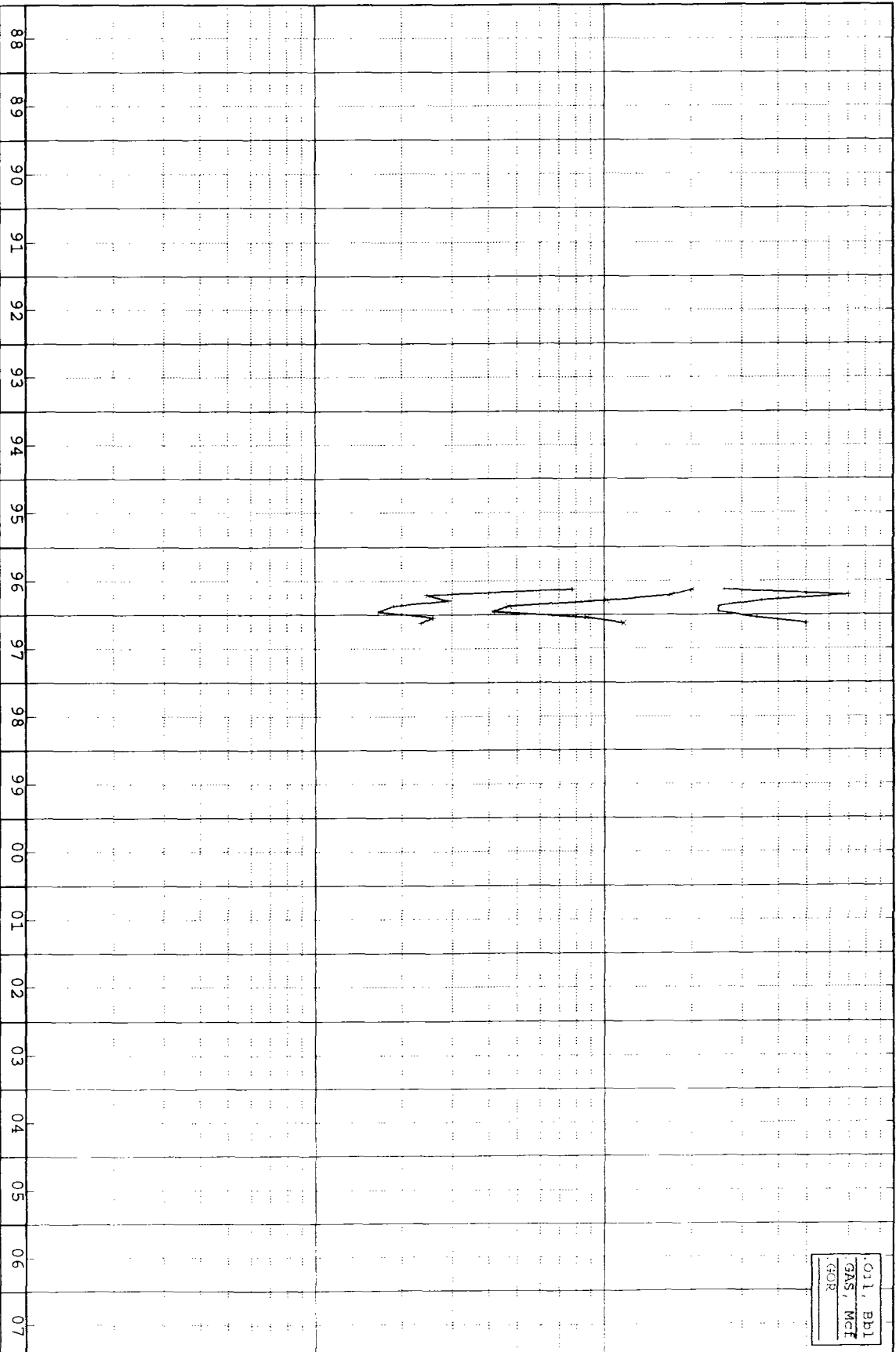
HONDO STATE #1
31059

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Oil, Bbl
Gas, MCF
GOR

Time, Years

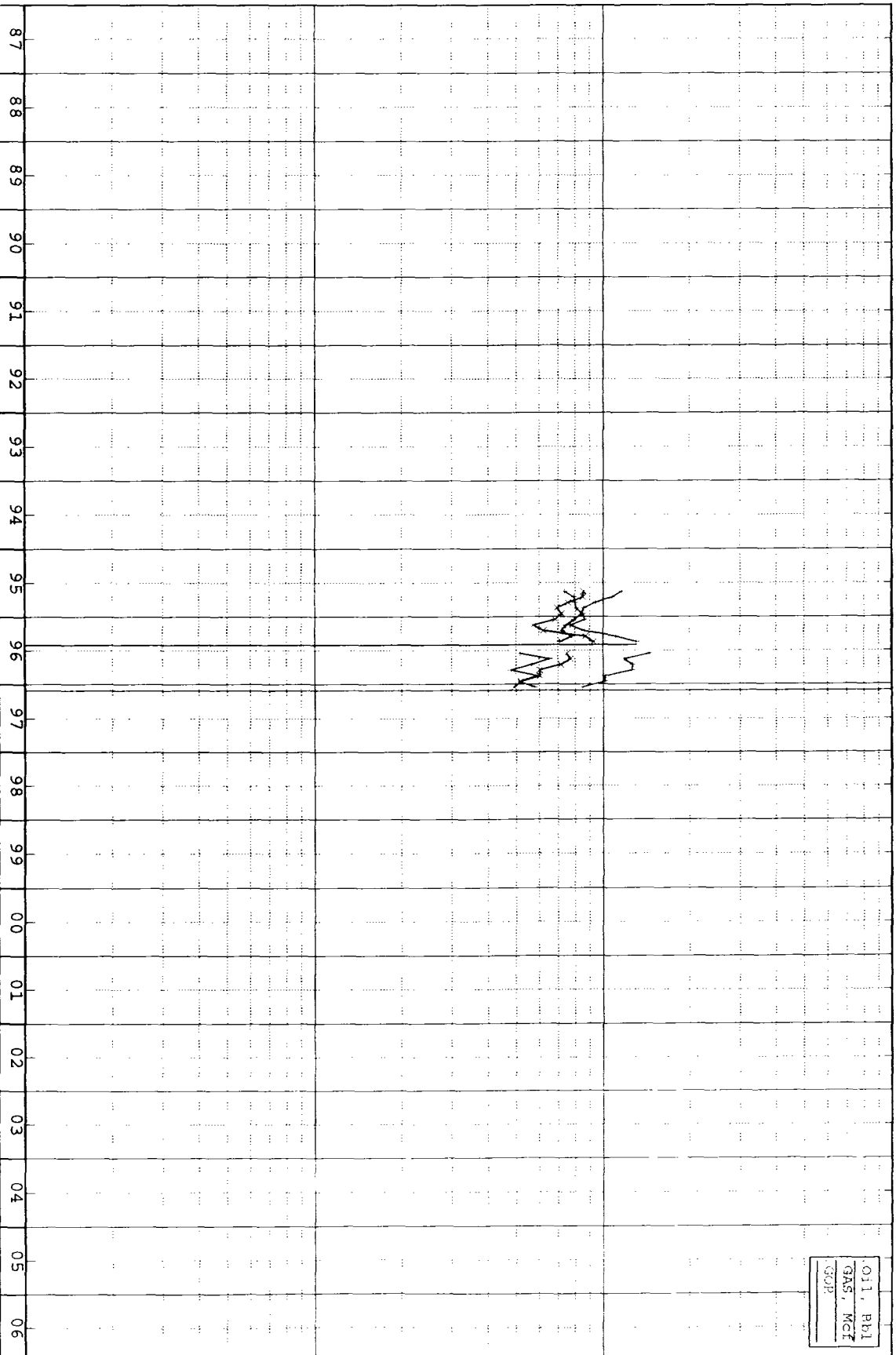
**MERIT ENERGY
FEDERAL "4" #1
EDDY COUNTY, NM**

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10000

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Oil, Bbl
Gas, MCF
GDP

Time, Years

Operator: Maralo, Inc.
 Well Name: Keystone
 Well #: 1
 Location: 32 20S 28E
 County: Eddy
 State: NM

DATE	OIL	CUM OIL	GAS	CUM GAS	GOR
5/94	1972	1972	13596	13596	6895
6/94	1626	3598	19023	32619	11699
7/94	1308	4906	20321	52940	15536
8/94	936	5842	14032	66972	14991
9/94	775	6617	18505	85477	23877
10/94	666	7283	15354	100831	23054
11/94	618	7901	11993	112824	19406
12/94	656	8557	8871	121695	13523
1/95	554	9111	7708	129403	13913
2/95	486	9597	9838	139241	20243
3/95	292	9889	8577	147818	29373
4/95	112	10001	5853	153671	52259
5/95	141	10142	5379	159050	38149
6/95	37	10179	3092	162142	83568
7/95	124	10303	3503	165645	28250
8/95	201	10504	3142	168787	15632
9/95	271	10775	4262	173049	15727
10/95	588	11363	9235	182284	15706
11/95	136	11499	7439	189723	54699
12/95	295	11794	4811	194534	16308
1/96	221	12015	4209	198743	19045
2/96	308	12323	5211	203954	16919
3/96	302	12625	5718	209672	18934
4/96	209	12834	4744	214416	22699
5/96	169	13003	5528	219944	32710
6/96	156	13159	5040	224984	32308
7/96	178	13337	4969	229953	27916
8/96	161	13498	4678	234631	29056
9/96	209	13707	4354	238985	20833
10/96	147	13854	3859	242844	26252
11/96	150	14004	3981	246825	26540
12/96	177	14181	1915	248740	10819
1/97	184	14365	3770	252510	20489
2/97	152	14517	2705	255215	17796

**BEFORE THE
 OIL CONSERVATION DIVISION**
 Santa Fe, New Mexico

Case No. 11040 (Reopened) Exhibit No. 5

Submitted by: Maralo, Inc.

Hearing Date: March 20, 1997

Operator: Maralo, Inc.
 Well Name: Keystone
 Well #: 2
 Location: 32 20S 28E
 County: Eddy
 State: NM

DATE	OIL	CUM OIL	GAS	CUM GAS	GOR
5/94	0	0	0	0	ERR
6/94	0	0	0	0	ERR
7/94	0	0	0	0	ERR
8/94	553	553	0	0	0
9/94	1753	2306	17199	17199	9811
10/94	1364	3670	18531	35730	13586
11/94	799	4469	13624	49354	17051
12/94	770	5239	11130	60484	14455
1/95	866	6105	15068	75552	17400
2/95	594	6699	11080	86632	18653
3/95	566	7265	9992	96624	17654
4/95	582	7847	9123	105747	15675
5/95	627	8474	8416	114163	13423
6/95	769	9243	7838	122001	10192
7/95	693	9936	7991	129992	11531
8/95	587	10523	8172	138164	13922
9/95	487	11010	5735	143899	11776
10/95	499	11509	7461	151360	14952
11/95	150	11659	6413	157773	42753
12/95	313	11972	5964	163737	19054
1/96	343	12315	5465	169202	15933
2/96	283	12598	5151	174353	18201
3/96	271	12869	4909	179262	18114
4/96	263	13132	5102	184364	19399
5/96	230	13362	4947	189311	21509
6/96	181	13543	3803	193114	21011
7/96	158	13701	3598	196712	22772
8/96	157	13858	2871	199583	18287
9/96	112	13970	1805	201388	16116
10/96	89	14059	1762	203150	19798
11/96	108	14167	1804	204954	16704
12/96	173	14340	1978	206932	11434
1/97	154	14494	3249	210181	21097
2/97	154	14648	3000	213181	19481

Operator: Maralo, Inc.
 Well Name: Keystone
 Well #: 4
 Location: 32 20S 28E
 County: Eddy
 State: NM

DATE	OIL	CUM OIL	GAS	CUM GAS	GOR
1/95	1714	1714	18760	18760	10945
2/95	2174	3888	35058	53818	16126
3/95	1591	5479	32618	86436	20502
4/95	1226	6705	30123	116559	24570
5/95	798	7503	30873	147432	38688
6/95	1222	8725	28288	175720	23149
7/95	1196	9921	28539	204259	23862
8/95	388	10309	30257	234516	77982
9/95	659	10968	25004	259520	37942
10/95	616	11584	23585	283105	38287
11/95	513	12097	19954	303059	38897
12/95	479	12576	21059	324118	43965
1/96	352	12928	18714	342832	53165
2/96	550	13478	15499	358331	28180
3/96	469	13947	15359	373690	32748
4/96	391	14338	14162	387852	36220
5/96	396	14734	13469	401321	34013
6/96	339	15073	12006	413327	35416
7/96	326	15399	11907	425234	36525
8/96	332	15731	10761	435995	32413
9/96	207	15938	9479	445474	45792
10/96	220	16158	9284	454758	42200
11/96	239	16397	9537	464295	39904
12/96	230	16627	8482	472777	36878
1/97	289	16916	8224	481001	28457
2/97	104	17020	6648	487649	63923

Operator: Maralo, Inc.
Well Name: Keystone
Well #: 5
Location: 32 20S 28E
County: Eddy
State: NM

DATE	OIL	CUM OIL	GAS	CUM GAS	GOR
4/95	1193	1193	11038	11038	9252
5/95	512	1705	4643	15681	9068
6/95	109	1814	1723	17404	15807
7/95	71	1885	656	18060	9239
8/95	50	1935	1117	19177	22340
9/95	144	2079	2595	21772	18021
10/95	695	2774	9238	31010	13292
11/95	154	2928	6583	37593	42747
12/95	286	3214	5333	42926	18647
1/96	198	3412	3570	46496	18030
2/96	242	3654	3865	50361	15971
3/96	181	3835	3614	53975	19967
4/96	202	4037	3220	57195	15941
5/96	163	4200	2870	60065	17607
6/96	167	4367	2502	62567	14982
7/96	158	4525	2751	65318	17411
8/96	143	4668	2525	67843	17657
9/96	188	4856	2558	70401	13606
10/96	150	5006	2112	72513	14080
11/96	116	5122	2007	74520	17302
12/96	143	5265	1927	76447	13476
1/97	159	5424	1892	78339	11899
2/97	113	5537	1653	79992	14628

Operator: Maralo, Inc.
Well Name: Hondo St.
Well #: 1
Location: 32 20S 28E
County: Eddy
State: NM

DATE	OIL	CUM OIL	GAS	CUM GAS	GOR
8/96	776	776	20140	20140	25954
9/96	243	1019	17036	37176	70107
10/96	291	1310	10214	47390	35100
11/96	188	1498	4705	52095	25027
12/96	166	1664	4134	56229	24904
1/97	257	1921	8733	64962	33981
2/97	234	2155	11720	76682	50085

Operator: Merit Energy
Well Name: Federal 4 Com.
Well #: 1
Location: 4 21S 27E
County: Eddy
State: NM

DATE	OIL	CUM OIL	GAS	CUM GAS	GOR
8/95	1160	1160	8557	8557	7377
9/95	1077	2237	8542	17099	7931
10/95	944	3181	7572	24671	8021
11/95	859	4040	6940	31611	8079
12/95	844	4884	7188	38799	8517
1/96	792	5676	6840	45639	8636
2/96	743	6419	5720	51359	7699
3/96	723	7142	6238	57597	8628
4/96	783	7925	8710	66307	11124
5/96	708	8633	9279	75586	13106
6/96	0	8633	0	75586	ERR
7/96	515	9148	7524	83110	14610
8/96	653	9801	7733	90843	11842
9/96	565	10366	7166	98009	12683
10/96	478	10844	6029	104038	12613
11/96	593	11437	6044	110082	10192
12/96	509	11946	5185	115267	10187
1/97	579	12525	4925	120192	8506