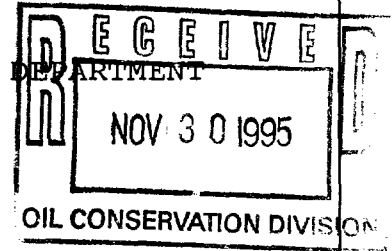


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING CALLED)
BY THE OIL CONSERVATION DIVISION FOR)
THE PURPOSE OF CONSIDERING:)
)
APPLICATION OF MARALO, INC., FOR)
COMPULSORY POOLING AND AN UNORTHODOX)
OIL WELL LOCATION, LEA COUNTY,)
NEW MEXICO)

CASE NO. 11,428

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

November 16th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, November 16th, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

November 16th, 1995
 Examiner Hearing
 CASE NO. 11,428

	PAGE
APPLICANT'S WITNESSES:	
<u>MARK WHEELER</u> (Landman)	
Direct Examination by Mr. Owen	4
<u>SHANE LOUGH</u> (Geologist)	
Direct Examination by Mr. Owen	9
Examination by Examiner Catanach	11
REPORTER'S CERTIFICATE	14

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	5	8
Exhibit 2	5	8
Exhibit 3	5	8
Exhibit 4	7	8
Exhibit 5	7	8
Exhibit 6	9	11
Exhibit 7	9	11
Exhibit 8	9	11

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

CAMPBELL, CARR & BERGE, P.A.
 Suite 1 - 110 N. Guadalupe
 P.O. Box 2208
 Santa Fe, New Mexico 87504-2208
 By: PAUL R. OWEN

* * *

1 WHEREUPON, the following proceedings were had at
2 12:36 p.m.:

3

4 EXAMINER CATANACH: At this time we'll call Case
5 11,428, the Application of Maralo, Inc., for compulsory
6 pooling and an unorthodox oil well location, Lea County,
7 New Mexico.

8 Are there appearances in this case?

9 MR. OWEN: Yes, there are, Mr. Examiner. My name
10 is Paul R. Owen. I'm with the law firm of Campbell, Carr
11 and Berge in Santa Fe, New Mexico.

12 I'm entering an appearance on behalf of Maralo,
13 Incorporated, and I have two witnesses in this matter.

14 EXAMINER CATANACH: Any additional appearances?

15 Okay. Let the record reflect that these two
16 witnesses have previously been qualified and sworn in, and
17 will continue to be so.

18 MR. OWEN: Mr. Examiner, I'd like the record to
19 reflect that the exhibits in this case are substantially
20 similar except for Exhibit Number 3, which is the AFE for
21 the second proposed well, and I think that our presentation
22 will be significantly expedited by this fact.

23 At this time I'd like to call, again, Mr. Mark
24 Wheeler.

25 EXAMINER CATANACH: Okay.

1 MARK WHEELER,

2 the witness herein, after having been first duly sworn upon
3 his oath, was examined and testified as follows:

4 DIRECT EXAMINATION

5 BY MR. OWEN:

6 Q. Please state your name and place of residence.

7 A. Charles Mark Wheeler, Midland, Texas.

8 Q. By whom are you employed and in what capacity?

9 A. Maralo, Incorporated, district landman.

10 Q. Have you previously testified before the Oil
11 Conservation Division and had your credentials as a landman
12 accepted and made a matter of record?

13 A. Yes, I have.

14 Q. Are you familiar with the Application filed in
15 this case?

16 A. Yes, I am.

17 Q. Are you familiar with the subject area?

18 A. Yes.

19 MR. OWEN: Are the witness's qualifications
20 acceptable?

21 EXAMINER CATANACH: Yes, they are.

22 Q. (By Mr. Owen) Would you briefly state what
23 Maralo seeks with this Application?

24 A. We seek the pooling from the surface to the base
25 of the Wolfcamp formation, underlying the south half,

1 northeast quarter of Section 20, for formations developed
2 on 80-acre spacing, in Township 13 South, Range 38 East,
3 Lea County, New Mexico.

4 Q. Do you also seek an unorthodox location?

5 A. Yes, we do, at a location of 1650 feet from the
6 north line and 1980 feet from the east line.

7 Q. Have you prepared, supervised or directed the
8 preparation of certain exhibits for introduction in this
9 case?

10 A. Yes, I have.

11 Q. Let's go to Exhibit Number 1. Is that exhibit
12 substantially similar to the previous exhibit entered in --

13 A. Yes, sir.

14 Q. -- Case Number 11,427?

15 A. It is identical, except we have outlined the
16 proposed 80-acre proration unit for this well.

17 Q. Let's go to Exhibit Number 2. Is that exhibit
18 substantially similar to the previous exhibit entered in
19 Case Number 11,427?

20 A. It is identical, yes, sir.

21 Q. Let's go to Exhibit Number 3.

22 Would you please briefly describe that exhibit
23 and its contents?

24 A. This is an AFE prepared for the Lowe "20" Number
25 2 well, to a depth of 10,000 feet to test the Wolfcamp

1 formation.

2 Q. Is the status of the acreage in the south half,
3 northeast quarter of Section 20 -- What is the status of
4 the acreage?

5 A. It's all fee acreage.

6 Q. What's the primary objective of the proposed
7 well?

8 A. Wolfcamp.

9 Q. What percentage of the acreage is voluntarily
10 committed to this well?

11 A. 99.0167 percent.

12 Q. Is that already committed?

13 A. It's expected. We should have the last of the
14 AFEs in within the next week.

15 Q. Are there any owners whom you have been unable to
16 locate?

17 A. Yes, sir, the same two gentlemen that were
18 involved in the previous case are unlocatable mineral
19 owners in this case also.

20 Q. Did you make the same efforts to locate these
21 gentlemen in this case?

22 A. Yes, sir, I did.

23 Q. In your effort, have you made a good-faith effort
24 to obtain a voluntary joinder?

25 A. Yes, I have.

1 Q. On Exhibit Number 3, what are the totals set
2 forth on this exhibit?

3 A. Dryhole cost is \$434,800, and the completed well
4 cost is \$706,400.

5 Q. I note that these totals are lower than the
6 totals that you testified to in Case Number 11,427. Why is
7 that?

8 A. That well was drilled to the Devonian formation,
9 which is 2600 feet deeper than the proposed well here.

10 Q. Are the costs for this well in line with what has
11 been charged by other operators in the area for similar
12 wells?

13 A. Yes, they are.

14 Q. Exhibit Number 4 of Maralo, I draw your attention
15 to that exhibit.

16 Is that exhibit substantially the same as was
17 entered in Case Number 11,427?

18 A. Yes, it is.

19 We tried to lease the entire mineral interest
20 under the northeast quarter at the time.

21 Q. I direct your attention to Exhibit Number 5 of
22 Maralo. Is that exhibit substantially the same as the
23 exhibit entered in Case Number 11,427?

24 A. Yes, sir, except for the case number, it is.

25 Q. Have you made an estimate of overhead and

1 administrative costs while drilling this proposed well and
2 also while producing this well, if it is a successful well?

3 A. Yes, sir, \$5200 per month during the drilling and
4 \$520 per month during the production phase.

5 Q. Are these costs in line with what is being
6 charged by the operators in the area?

7 A. Yes, they are.

8 Q. Do you recommend that these figures be
9 incorporated into any order that results from this hearing?

10 A. I do.

11 Q. Do you seek to be the designated the operator of
12 the proposed well?

13 A. Yes, we do.

14 Q. Were Exhibits 1 through 5 prepared by you or
15 under your direction and supervision?

16 A. Yes, they were.

17 MR. OWEN: Mr. Examiner, I ask that Exhibits
18 Number 1 through 5 be entered in this case.

19 EXAMINER CATANACH: Exhibits 1 through 5 will be
20 admitted as evidence.

21 MR. OWEN: That concludes my examination of this
22 witness.

23 EXAMINER CATANACH: And I have no questions. The
24 witness may be excused.

25 MR. OWEN: Next, call Mr. Shane Lough. I'd for

1 the record to reflect that Mr. Lough was previously
2 qualified in Case Number 11,427.

3 SHANE LOUGH,

4 the witness herein, after having been first duly sworn upon
5 his oath, was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MR. OWEN:

8 Q. Has Maralo drilled other Wolfcamp wells in the
9 immediate area?

10 A. Yes, we have.

11 Q. Is Exhibit Number 6 in this case substantially
12 similar to Exhibit Number 6 entered in Case Number 11,427?

13 A. It's exactly the same, with the exception of the
14 proration unit, outlined proration unit shown in red on the
15 map being different, being the south half of the northeast
16 quarter.

17 Q. Is Exhibit 7 in this case substantially similar
18 to that entered in Case Number 11,427?

19 A. It again is identical, with the exception of the
20 south half of the northeast quarter being outlined as our
21 proration unit.

22 Q. Is Exhibit 8 in this case substantially similar
23 to that entered in Case Number 11,427?

24 A. It is identical.

25 Q. Are you prepared to make a recommendation to the

1 Examiner as to the risk penalty that should be assessed
2 against the nonconsenting interest owners?

3 A. Yes.

4 Q. What is that recommendation?

5 A. We recommend cost plus 200 percent.

6 Q. Upon what do you base this 200-percent
7 recommendation?

8 A. We base that on the mechanical risk of drilling
9 the well, as well as the structural and stratigraphic risk
10 of completing the well.

11 Q. Do you believe that there's a chance that you
12 could drill a well at the proposed location that would not
13 be a commercial success?

14 A. Yes.

15 Q. In your opinion, will granting this Application
16 be in the best interests of conservation, the prevention of
17 waste and the protection of correlative rights?

18 A. I do.

19 Q. How soon do you plan to spud the initial well?

20 A. Just as soon as we get approval. We hope to spud
21 the well sometime in late December.

22 Q. Were Exhibits 6 through 8 either prepared by you
23 or compiled under your direction and supervision?

24 A. They were.

25 MR. OWEN: Mr. Examiner, I ask that Exhibits 6

1 through 8 be entered into evidence in this case.

2 EXAMINER CATANACH: Exhibits 6 through 8 will be
3 admitted as evidence.

4 MR. OWEN: That concludes my presentation in this
5 case, Mr. Examiner.

6 EXAMINATION

7 BY EXAMINER CATANACH:

8 Q. Mr. Lough, is -- What is the necessity for the
9 unorthodox location for this well?

10 A. The prime reason for our unorthodox location is
11 to position the well in the optimal structural position on
12 the Wolfcamp structure, as we have identified by 3-D
13 seismic.

14 Q. Standard location would be further to the south
15 in that proration unit?

16 A. Yes, sir, it would, that's correct.

17 Q. And it's my understanding you're moving toward
18 the higher portion of that structure?

19 A. Yes, sir, that's correct.

20 The initial completion, being the Lowe "20"
21 Number 1, found the Wolfcamp structure, but we actually
22 found it on the flank. And the Lowe "20" Number 2, we feel
23 we should position just as high on that structural feature
24 as we can to preclude leaving attic reserves in the
25 structural feature.

1 Q. How much structural position do you think you
2 would gain at the proposed location?

3 A. We believe we're going to be able to gain up to
4 40 feet.

5 Q. Do you feel like you gain anything in terms of
6 reservoir quality?

7 A. We don't -- We really don't anticipate that we
8 do. We feel like the reservoir quality will be somewhat
9 similar to the Lowe "20" Number 1.

10 So the primary -- our primary concern or
11 consideration is structural, rather than stratigraphic.

12 Q. In terms of the risk penalty, is it fairly safe
13 to say that you'll probably get a producing well at the
14 location?

15 A. I think it's relatively safe to say that.
16 However, we know from past experience that even with a 3-D
17 seismic interpretation, that interpretation can be
18 incorrect. And so we feel like there is always significant
19 structural risk, drilling seismically defined structures.

20 We also see through analysis of electric logs in
21 the area that the stratigraphic component of the prospect
22 is a risk in that the individual producing -- or
23 potentially producing horizons do change throughout the
24 area.

25 The stratigraphic risk, though, is very difficult

1 to pin down. We know that the reservoirs do change. We
2 anticipate they won't change significantly across the
3 structure that we have identified, but there is the risk
4 that they could change. We just don't have the data to
5 anticipate how they will change.

6 EXAMINER CATANACH: I have nothing further of the
7 witness.

8 MR. OWEN: That concludes my presentation in this
9 case, Mr. Examiner.

10 EXAMINER CATANACH: All right, there being
11 nothing further in this case, Case 11,428 will be taken
12 under advisement.

13 (Thereupon, these proceedings were concluded at
14 12:48 p.m.)

15 * * *

16
17
18
19 I hereby certify that the foregoing is
20 a complete record of the proceedings in
the Examiner hearing of Case No. 11428.
21 heard by me on November 10 1995.

22 David J. Catanach, Examiner
23 Oil Conservation Division
24
25

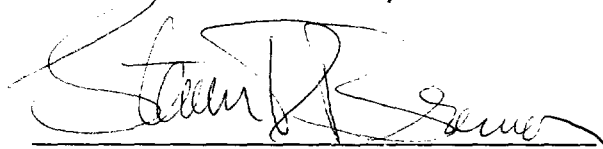
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
 COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL November 24th, 1995.

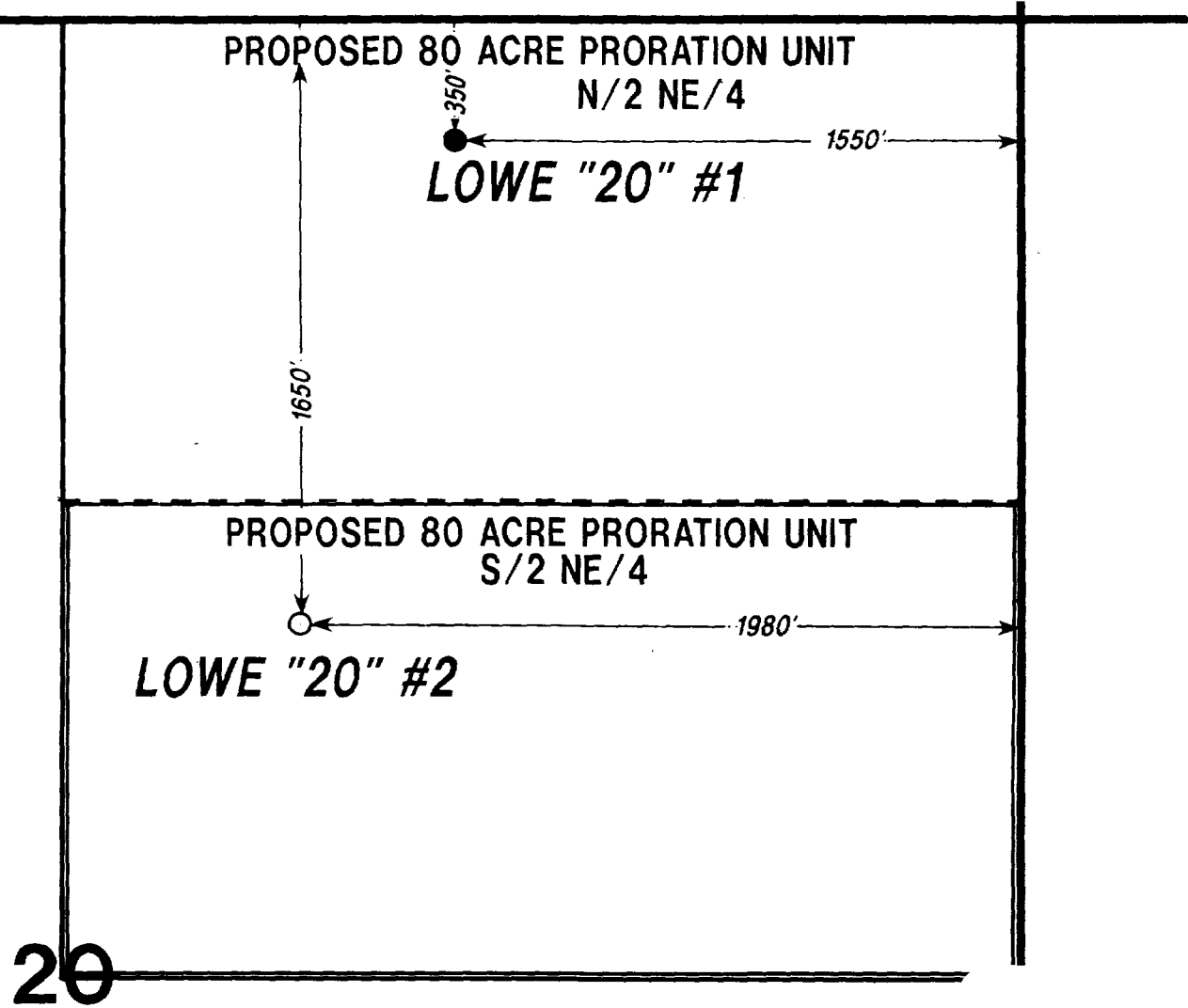


STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998

NE/4 Section 20, T-13-S - R-38-E
LEA COUNTY, NEW MEXICO

COMMON OWNERSHIP THROUGHOUT NE/4



maralo^{INC.}
S W BRONCO PROSPECT
LEA COUNTY, NEW MEXICO

SCALE : 1" = 500'

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11428 Exhibit No. 1

Submitted by: Maralo, Inc.

Hearing Date: November 16, 1995

LOCATION OF WELLS: Lowe "20" #1 - 350' FNL & 1550' FEL,
 Section 20, T-13-S, R-38-E,
 NMPM, Lea County, New Mexico
 Lowe "20" #2 - 1650' FNL & 1980' FEL,
 Section 20, T-13-S, R-38-E,
 NMPM, Lea County, New Mexico

PERCENTAGES OR FRACTIONAL INTERESTS AND ADDRESSES OF PARTIES:

	Lowe "20" #1 and Lowe "20" #2 Wells			
	BCP	ACP	APD	A300%PO
Maralo Inc. Five Post Oak Park Suite 1010 Houston, Texas 77027-3489	37.406262%	34.812500%	33.947917%	33.614584%
Box Energy Corporation Preston Sherry Plaza 8201 Preston Road Suite 600 Dallas, Texas 75225-6211	32.730473%	30.460938%	29.704428%	29.412761%
Enserch Expl. Inc. 4849 Greenville Ave. Suite 1200 Dallas, Texas 75206-4186	9.351558%	8.703125%	8.486979%	8.403646%
O'Neill Properties Ltd. 410 W. Ohio Ave. Midland, Texas 79701	4.675779%	4.351562%	4.243489%	4.201822%
Mizel Resources 5801 East 41st Street Suite 104 Tulsa, Oklahoma 74135	4.675779%	4.351562%	4.243489%	4.201822%
Larry A. Mizel 3600 South Yosemite Suite 1040 Denver, Colorado 80237	4.675779%	4.351562%	4.243489%	4.201822%
Brigham Oil & Gas, L.P. Sterling Plaza 5949 Sherry Lane Suite 1616 Dallas, Texas 75225	3.134110%	7.997396%	7.997396%	7.997396%
NGR, LTD. c/o Ruja Muta Corporation 4925 Greenville Ave. Suite 814 Dallas, Texas 75206	1.621090%	3.242188%	3.242188%	3.242188%
Ottawa Energy Inc. 1710, 530 - 8th Ave. SW Calgary, Alberta T2P 3S8	1.729170%	1.729167%	1.729167%	1.729167%
St. Mary Land & Exploration Company 1776 Lincoln Street Denver, Colorado 80203	-0-	-0-	2.161458%	2.161458%
Uncommitted Interests	-0-	-0-	-0-	0.833334%

100.000000%

Examiner Catanaeh
 Case No. 11428
 EXHIBIT NO. 2

MARALO INC. AFE

WELL Lowe "20" #2 PRO. DEPTH 10,000' PROSPECT Bronco S W DATE 8/30/95

CO Lea STATE NM LOCATION 1650' FNL & 1980' FEL, SEC 20, T-13-S, R-38-E, Lea County,

FM Wolfcamp FIELD Wildcat AFE# _____

WELL COST

	240-XXX CODE	COMPLETED		DRY HOLE
INTANGIBLES				
LOCATION, ROADWAY, DAMAGES	001	\$ 14,000		\$ 14,000
RIG MOBLIZATION	002	0		0
DRILLING: FTG <u>10,000'</u> @ \$ <u>12.50</u> /FT	003	125,000		125,000
DAYWORK <u>4</u> DAYS @ \$ <u>4500</u> /DAY	004	18,000		18,000
TURNKEY <u>-0-</u>	018	0		0
FUEL & WATER	005	4,500		4,500
MUD & CHEMICALS	006	35,000		35,000
CEMENT & CEMENTING SERVICES	007	50,000		50,000
CORING, DST, TEMPERATURE SURVEY	008	10,000		10,000
ELECTRICAL LOGGING + MUD LOGGING	009	40,000		40,000
PERFORATING -ACIDIZING - FRACTURING	010	15,000		0
SPECIAL SERVICES, (INSPECTION, RENTAL)	011	8,000		6,000
SERVICE UNIT	012	10,000		0
SUPPLIES (BIT, REAMERS, ETC)	013	8,000		5,000
SUPERVISION	014	8,000		5,000
TRUCKING & IDC LABOR	015	10,000		7,000
LOCATION CLEAN UP	016	5,000		5,000
LEGAL	019	5,000		5,000
ABANDONMENT COSTS	025	0		5,000
ADMINISTRATIVE OVERHEAD	040	6,000		4,000
MISC AND <u>10</u> % CONTINGENCY	017	37,200		33,900
TOTAL WELL INTANGIBLE		\$ 408,700		\$ 372,400

Examiner Catanach
Case No. 11428
EXHIBIT NO. 3

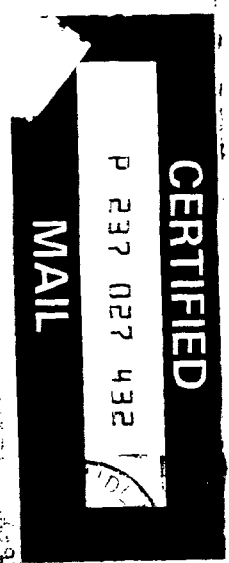
	230-XXX CODE			
TANGIBLES - WELL EQUIPMENT				
WELLHEAD ASSEMBLY	001	\$ 14,000		\$ 5,000
CASING:	002	141,800		57,400
CONDUCTOR <u>20</u> "OD <u>40</u> \$ <u>3,000</u>				
SURFACE <u>13 3/8</u> "OD <u>400</u> \$ <u>7,800</u>				
1ST INTERMEDIATE <u>8 5/8</u> "OD <u>4,250</u> \$ <u>46,600</u>				
2ND INTERMEDIATE "OD \$				
PRODUCTION <u>5 1/2</u> "OD <u>10,000</u> \$ <u>84,400</u>				
TUBING: <u>2 7/8</u> "OD <u>10,000</u> \$ <u>38,700</u>	003	38,700		0
PACKERS, DOWNHOLE PUMPS, ETC	004	4,000		0
SURFACE PUMP EQ & POWER SUPPLY	005	45,000		0
SUCKER RODS	006	20,200		0
TOTAL WELL TANGIBLES		\$ 263,700		\$ 62,400

	230-XXX CODE			
TANGIBLES - PRODUCTION & LEASE FACILITIES				
STORAGE TANKS	010	\$ 7,000		\$ 0
FLUID - GAS SEPARATION EQUIPMENT	011	7,500		0
LACT UNITS & GAS FLOW METERS	012	4,500		0
MISCELLANEOUS CONTROLLABLE EQUIPMENT	013	3,000		0
FLOW LINE & LINE PIPE	014	3,000		0
MISC SMALL VALVES & FITTINGS	015	4,000		0
LABOR TO INSTALL FACILITIES	016	3,000		0
MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT	017	2,000		0
TOTAL FACILITY TANGIBLES		\$ 34,000		\$ 0
TOTAL TANGIBLES		\$ 297,700		\$ 62,400
TOTAL EXPENDITURE		\$ 706,400		\$ 434,800

COMPANY _____
 BY: _____ DATE: _____
 APPROVED: _____ DISAPPROVED _____ W.I. _____
 LOWE20#2.AFE 6.0

MARALO INC. *Mark Neff Jones* 9/26/95
 BY: _____ Date: _____
 APPROVED DISAPPROVED _____ W.I. _____

BX 832
Midland R 79702



UNK

RETURN RECEIPT REQUESTED

MR & MRS JOE V MIMS
100 HERMAN TRAIL
BEDFORD TX 766021
Attempted - Not Known

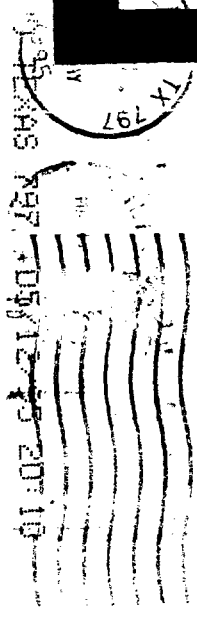
BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11428 Exhibit No. 4

Submitted by: Maralo, Inc.

Hearing Date: November 16, 1995

[Handwritten signatures]



PR

CERTIFIED

P 237 027 421

MAIL

NSN
3111
5-15-95

MR & MRS R C HUNTON
6608 ABRAMS ROAD
DALLAS TX 75231

RETURN RECEIPT REQUESTED

11/19/95 TEXAS 797 08/12/95 20/13

TO
11/19/95



BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

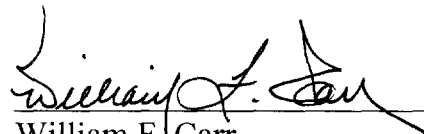
IN THE MATTER OF THE APPLICATION
OF MARALO, INC. FOR
COMPULSORY POOLING AND AN
UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11428

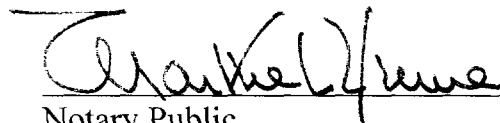
AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, authorized representative of Maralo, Inc., the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto as provided in Rule 1207.


William F. Carr

SUBSCRIBED AND SWORN to before me this 13th day of November, 1995.


Notary Public

My Commission Expires:

August 19, 1999

EXHIBIT A

Brigham Oil & Gas, L.P.
Lock Box 70
Dallas, TX 75225

Brigham Oil & Gas, L.P.
Sterling Plaza
5949 Sherry Lane, Suite 1616
Dallas, TX 75225

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

Case No. 11428 Exhibit No. 5

Submitted by: Maralo, Inc.

Hearing Date: November 16, 1995

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 24, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Brigham Oil & Gas, L.P.
Lock Box 70
Dallas, TX 75225

Re: Application of Maralo, Inc., for Compulsory Pooling and an Unorthodox Oil Well Location, Lea County, New Mexico

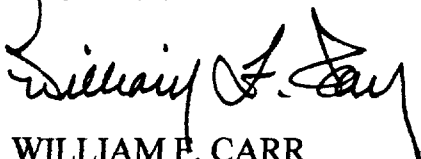
Gentlemen:

This letter is to advise you that Maralo, Inc., has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the S/2 NE/4 of Section 20, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico. Maralo, Inc., proposes to dedicate the referenced pooled unit to its Lowe "20" No. 2 Well to be drilled to the Wolfcamp formation at an orthodox location 1650 feet from the North line and 1980 feet from the East line of said Section 20.

This application has been set for hearing before a Division Examiner on November 16, 1995. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR MARALO, INC.

WFC:mlh

Enc.

CAMPBELL, CARR & BERGE, P.A.
 LAWYERS
 POST OFFICE BOX 2208
 SANTA FE, NEW MEXICO 87504-2208

CERTIFIED MAIL
 P 176 016 908

~~1st Notice to Return
 2nd Notice to Return
 3rd Notice to Return~~

RETURNED TO SENDER
 INSUFFICIENT ADDRESS
 FROM 75225-9998

P 176 016 908



Receipt for Certified Mail
 No Insurance Coverage Provided

Brigham Oil & Gas, L.P.
 Lock Box 70
 Dallas, TX 75225

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	JUN 24 1995

PS Form 3800, June 1991

~~Brigham Oil & Gas, L.P.
 Lock Box 70
 Dallas, TX 75225~~



NAME _____
 1st Notice to Return _____
 2nd Notice to Return _____
 Return _____

Handwritten signature

Handwritten scribbles

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
TELECOPIER: (505) 983-6043

October 24, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Brigham Oil & Gas, L.P.
Sterling Plaza
5949 Sherry Lane, Suite 1616
Dallas, TX 75225

Re: Application of Maralo, Inc., for Compulsory Pooling and an Unorthodox Oil Well Location, Lea County, New Mexico

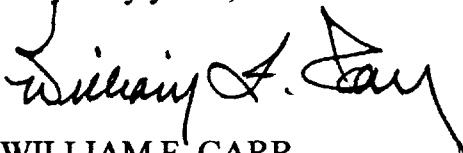
Gentlemen:

This letter is to advise you that Maralo, Inc., has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the S/2 NE/4 of Section 20, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico. Maralo, Inc., proposes to dedicate the referenced pooled unit to its Lowe "20" No. 2 Well to be drilled to the Wolfcamp formation at an orthodox location 1650 feet from the North line and 1980 feet from the East line of said Section 20.

This application has been set for hearing before a Division Examiner on November 16, 1995. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR MARALO, INC.

WFC:mlh

Enc.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Brigham Oil & Gas, L.P.
Sterling Plaza
5949 Sherry Lane, Suite 1616
Dallas, TX 75225

4a. Article Number

P176 016 910

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

OCT 23 1995

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

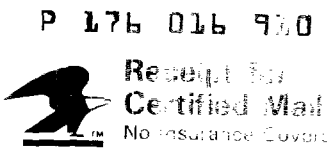
6. Signature (Agent)

PS Form 3811, December 1991

*U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



Brigham Oil & Gas, L.P.
Sterling Plaza
5949 Sherry Lane, Suite 1616
Dallas, TX 75225

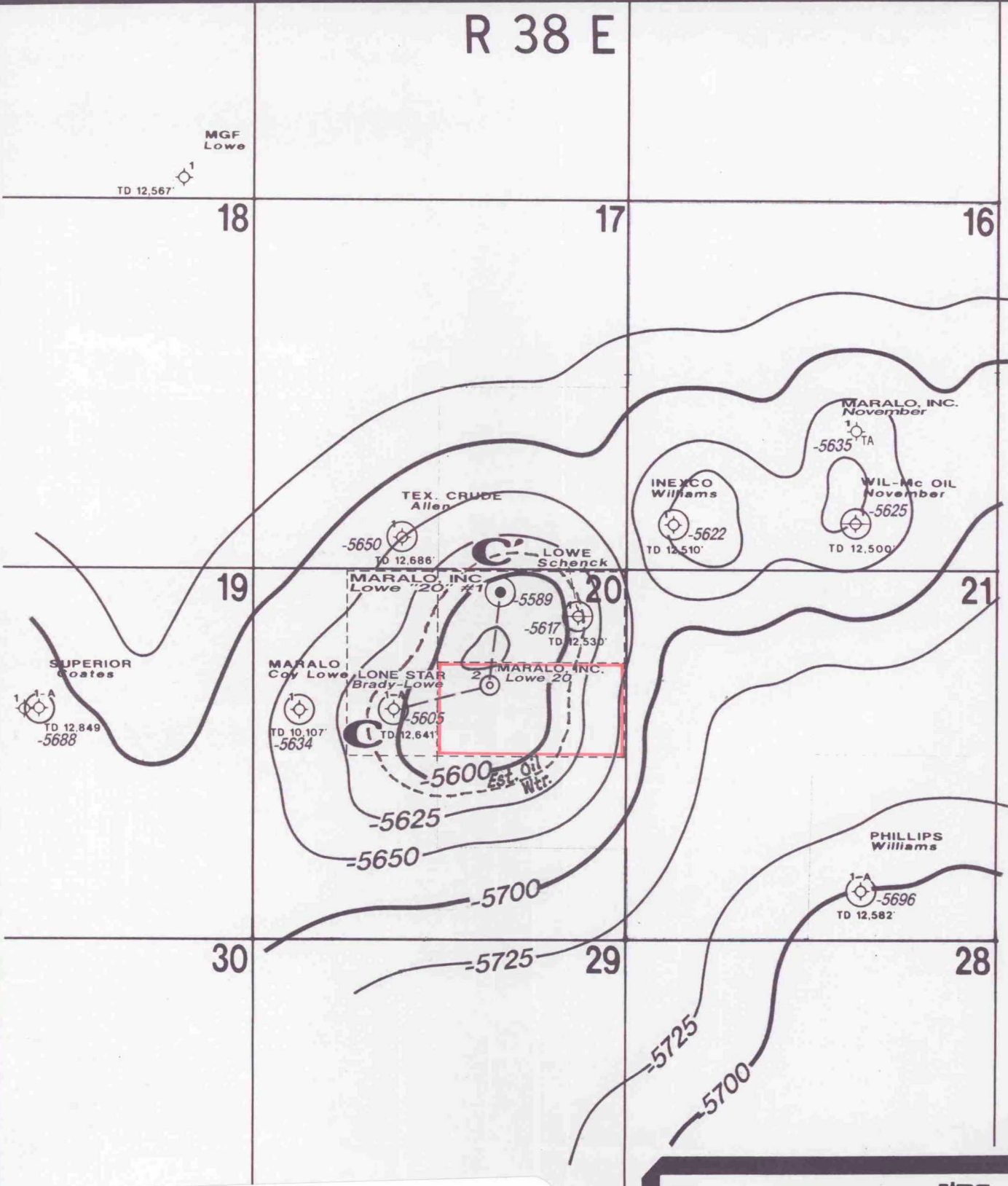
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Show to Whom & Date Delivered	
Return Receipt Show Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date:	OCT 24 1995

PS Form 3800, June 1991

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

R 38 E

T 13 S



BEFORE THE
 OIL CONSERVATION DIVISION
 Santa Fe, New Mexico

Case No. 11428 Exhibit No. 7

Submitted by: Maralo, Inc.

Hearing Date: November 16, 1995

maralo^{INC.}

**BRONCO SW PROSPECT
 LEA COUNTY, NEW MEXICO**

**STRUCTURE MAP
 WOLFCAMP XX MARKER
 CONTOUR INTERVAL 25'**

**C.S.L.
 9/95**

SCALE: 1" = 2,000'