

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. 11642

**APPLICATION**

MARALO, INC. ("Maralo"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order (1) pooling all mineral interests in all formations developed on 40-acre spacing in the NE/4 NE/4 of Section 17, Township 17 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and (2) approving an unorthodox oil well location, and in support thereof states:

1. Maralo owns or represents approximately 81.25% of the working interest in and under the NE/4 NE/4 of said Section 17 and has the right to drill thereon.
2. Maralo proposes to dedicate the above-referenced spacing or proration unit to its Burrows "17" Well No. 1 which it proposes to drill at an unorthodox oil well location 870 feet from the North line and 1180 feet from the East line of said Section 17 to test any and all formations from the surface to the base of the Strawn formation.
3. Maralo has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing unit.

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 Maralo to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Maralo should be designated the operator of the well to be drilled.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 7, 1996 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Maralo to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by the Maralo in drilling, completing and equipping the well, and approving an unorthodox oil well location.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR

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ATTORNEYS FOR MARALO, INC.

CASE 11642

Application of Maralo, Inc. for compulsory pooling and unorthodox oil well location, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in all formations developed on 40-acre spacing under the NE/4 NE/4 of Section 17, Township 17 South, Range 38 East. Said unit is to be dedicated to its Burrows "17" No. 1 Well to be drilled at an unorthodox location 870 feet from the North line and 1180 feet from the East line of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately \_\_ miles \_\_\_\_ of \_\_\_\_\_, New Mexico.

11642

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
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October 15, 1996

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**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503

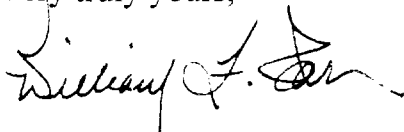
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Re: *Application of Maralo, Inc. for Compulsory Pooling and an Unorthodox  
Well Location, Lea County, New Mexico*

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Maralo, Inc. in the above-referenced case as well as a copy of the legal advertisement. Maralo, Inc. requests that this matter be placed on the docket for the November 7, 1996 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh  
Enclosures

cc: Mr. Joe C. Pulido (w/enclosures)