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March 31, 1992

HAND-DELIVERED

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building Santa Fe, New Mexico 87503

OIL CONSERVATION DIVISION

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Re: In the Matter of the Application of Maralo, Inc. for Compulsory Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Maralo, Inc. in the above-referenced case. Maralo, Inc. respectfully requests that this matter be placed on the docket for the April 30, 1992 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc w/enclosures: Mr. Mark Wheeler

District Landman

Maralo, Inc.

223 West Wall, 9th Floor Midland, Texas 79701

BEFORE THE

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OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL BESOURCES

IN THE MATTER OF THE APPLICATION OF MARALO, INC., FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 10470

APPLICATION

MARALO, INC., by its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests from the surface to the base of the Wolfcamp formation, South Corbin-Wolfcamp Pool, for any and all formations and/or pools developed on 80-acre spacing in and under the S/2 SE/4 of Section 13, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

- 1. Applicant owns 50% of the working interest in and under the S/2 SE/4 of Section 13, and Applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced pooled unit to a well located at a standard location in the SE/4 SE/4 of said Section 13, to a depth of approximately 11,400 feet to test the Wolfcamp formation.
- 3. Applicant has sought and has been unable to obtain voluntary agreement for development of this acreage from Mewbourne Oil Company, 500 W. Texas, Suite 1020, Midland, Texas 79702, the owner of 50% of the working interest in this tract.
- 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 the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant

should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on April 30, 1992 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping

the well, and making such other and further provisions as may be proper.

Respectfully submitted,

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

WILLIAM F. CARR

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ATTORNEYS FOR MARALO, INC.