

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. 10703

APPLICATION OF MARATHON OIL COMPANY  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by as required  
by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

MARATHON OIL COMPANY  
ATTN: Thomas Lowry, Esq.  
P.O. Box 552  
Midland, Texas 79702  
(915) 687-8148

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**STATEMENT OF CASE**

**APPLICANT:**

(1) Marathon Oil Company proposes to drill its well at a location 660 feet FWL and 1980 feet FSL of Section 36, T20S, R24E with a S/2 dedication for the Morrow Production.

(2) Currently, it is too risky in this spacing unit to drill a well at a standard well location to test only the Morrow formation. By drilling the proposed Cisco formation well and deepening into the Morrow formation, the Applicant can reduce the risk and test for Morrow production that might otherwise never be tested.

(3) The proposed location will afford Marathon and the interest owners in the proposed well the optimum location at which to test for both Morrow or Cisco production.

(4) The offset operator, Conoco, Inc., has waived any objection.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Eric Carlson (geologist)	30 min.	Estimated 5 Exhibits in all

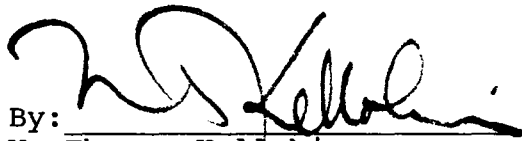
OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
SEE OPPOSITION FILING, IF ANY		

**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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Attorney for Applicant