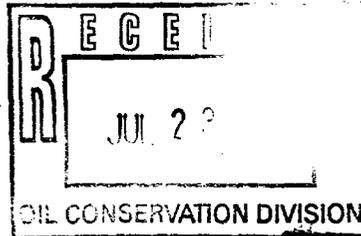


STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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



~~CASE NO. 10780~~  
CASE NO. 10781  
CASE NO. 10782

APPLICATIONS OF MARATHON OIL COMPANY  
FOR THREE UNORTHODOX  
GAS WELL LOCATIONS,  
SAN JUAN COUNTY, NEW MEXICO.

CONSOLIDATED  
PRE-HEARING STATEMENT

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

**APPEARANCE OF PARTIES**

**APPLICANT**

MARATHON OIL COMPANY  
P. O. Box 4289  
Midland, Texas 79702  
Attn: Thomas C. Lowry, Esq.  
(915) 682-1626

**ATTORNEY**

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

**STATEMENT OF CASE**

**APPLICANT:**

MARATHON OIL COMPANY seeks drill three "off-pattern" wells in the Basin-Fruitland Coal Gas Pool as follows:

- NMOCD Case 10780: Bolack Well No 9-3  
Unit C Section 9 T27N, R11W  
E/2 dedication
- NMOCD Case 10782: Bolack Well No 9-4  
Unit I Section 9 T27N, R11W  
W/2 dedication
- NMOCD Case 10781: Schwerdtfeger Well No 1702  
Unit I Section 17 T27N, R11W  
E/2 dedication

Each of the unorthodox locations is located at a standard footage distance from the spacing unit line but is unorthodox because it is located in either the SE/4 or NW/4 of the Section rather than the NE/4 or SW/4.

Each of the three unorthodox locations has satisfied the surface location limitations imposed by the "NAPI" irrigation project. Each well is a replacement well to an original well in each spacing unit drilled in the correct quarter section.

These wells are in the under pressure area of the pool and are intended to replace poor producing wells thereby providing a better opportunity than the original wells to produce coal gas reserves underlying these spacing units.

No reservoir damage will occur and offsetting operators do not object.

Pre-Hearing Statement  
Case No. 10780-10782  
Page 3

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Craig Kent (petroleum engineer)	30 min.	5

**PROCEDURAL MATTERS**

Applicant proposes to consolidate all three cases for purposes of hearing.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285