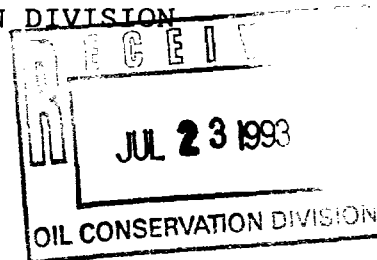


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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: 

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