

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. 10922

APPLICATION OF MARATHON OIL COMPANY
FOR A HIGH ANGLE/HORIZONTAL/DIRECTIONAL
DRILLING PILOT PROJECT INCLUDING
SPECIAL OPERATING RULES,
LEA COUNTY, NEW MEXICO.

FEB 28 1994

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 522
Midland, Texas 79702
Attn: Dow Campbell, Esq.

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

(1) Applicant is the operator of the J. M. Denton lease consisting of the SW/4, N/2SE/4 and SE/4SE/4 of Section 11, T15S, R37E, NMPM, Lea County, New Mexico and seeks to designate this lease as a Project Area for horizontal wells in the Denton-Devonian Oil Pool, subject to the following:

(1) a producing-drilling window such that no portion of the wellbore open for production shall be closer than 330 feet to the outer boundary of the project area;

(2) to re-enter the J. M. Denton Well No. 5 located in Unit N and drill an initial high angle/horizontal/directional well by kicking said well off at a depth of approximately 11,400 feet (+ or - 100 feet) at which point the applicant will kick the well off in a northeasterly direction;

(3) authorization for an administrative approval procedure for any future high/angle (short radius or medium radius curve), horizontal and/or directionally drilled wells within the Project Area.

(4) assignment of an allowable based upon the number of 40-acre spacing units penetrated by the producing portion of any horizontal well within the vertical limits of this pool times the maximum depth bracket allowable of 365 BOPD;

By drilling a high angle/horizontal/directional drilled wellbore, the applicant is attempting to increase the probability of encountering portions of the Denton-Devonian Pool which have not been adequately produced with existing vertical wells resulting in the recovery of a greater amounts of gas and oil, thereby preventing waste.

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PROPOSED EVIDENCE


APPLICANT

WITNESSES	EST. TIME	EXHIBITS
John Chapman (geologist)	20 min.	7
Meftah Tiss (reservoir engineer)	15 min.	1
Craig Young (drilling engineer)	15 Min.	2

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
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