

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. 10923

APPLICATION OF MARATHON OIL COMPANY
FOR A HIGH ANGLE/HORIZONTAL/DIRECTIONAL
DRILLING PILOT PROJECT INCLUDING
SPECIAL OPERATING RULES,
EDDY 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:

Marathon is the operator of all of Section 26, T21S, R23E, NMPM, Eddy County, New Mexico and the existing Indian Basin "C" Well No. 1, located 1650 feet FNL and 1650 feet FWL of said Section 26 which was drilled and completed in the Indian Basin Upper Pennsylvanian Gas Pool. Applicant proposes to enter the Indian Basin "C" Well No. 1 and to recomplete this well as a high angle/horizontal directional well ("short radius") in the Indian Basin Upper Pennsylvanian Gas Pool.

Due to the fact that when it was originally drilled, the existing Indian Basin "C" Well No 1 deviated from vertical such that the top of the Upper Pennsylvanian formation is believed to be 1500 feet from the north and west lines of said Section 26, the producing interval of the well will be closer to the west and north outer boundaries of the spacing unit, an unorthodox well location is necessary.

Marathon requests a drilling-producing window be identified as the area within Section 26 which shall be no closer than 1650 feet to the east and south or closer than 1500 feet to the north and west outer spacing unit boundaries

In as much as the exact distance and direction of the lateral portion of the wellbore is not known at this time, the Marathon seeks approval to be allowed to drill and produce said lateral portion anywhere within the proposed drilling-producing window.

Marathon seeks approval of this application in order to determine if this type of wellbore and completion in this Pool will result in the recovery of substantially greater amounts of hydrocarbons than would normally be recovered by a conventional well thereby improving ultimate recovery and preventing waste.

Pre-Hearing Statement
Case No. 10923
Page 2

PROPOSED EVIDENCE


APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Kurt Miller (geologist)	20 min.	6
Rod Stewart (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
(505) 982-4285