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SEP 1 1986

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OIL CONSERVATION DIVISION

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September 18, 1986

M.S.

HAND DELIVERED

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

OP-96

Re: Case 8960, Order R-8282; Application of
Marathon Oil Company for Compulsory Pooling,
Lea County, New Mexico

Dear Mr. Stamets:

Enclosed in triplicate is the Application for Hearing de novo on behalf of James A. Davidson in the above-referenced case.

We respectfully request that this matter be set for hearing de novo on the next Commission docket now scheduled for October 23, 1986.

Very truly yours,

CAMPBELL & BLACK, P.A.

By *Marte Lightstone*
Marte Lightstone

ML/ab

Encls.

cc: James A. Davidson w/encls.
Tom Kellahin

BEFORE THE
OIL CONSERVATION COMMISSION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

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SEP 11 1986
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF MARATHON
OIL COMPANY FOR COMPULSORY
POOLING, LEA COUNTY,
NEW MEXICO

Case 8960
Order R-8282

APPLICATION FOR HEARING DE NOVO

COMES NOW, James A. Davidson, a party of record in Case No. 8960, who was adversely affected by Oil Conservation Division Order No. R-8282, and hereby requests that this matter be set for hearing de novo on the next Commission docket now scheduled for October 23, 1986.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By John H. Bernis for
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

ATTORNEYS FOR JAMES A. DAVIDSON

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September 10, 1986

HAND DELIVERED

Mr. R. L. Stamets, Director
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case 8960: Application of Marathon Oil Company for
Compulsory Pooling, Lea County, New Mexico;
Order R-8282.

Dear Mr. Stamets:

The above-referenced case has been set for hearing de novo on September 18, on the application of Marathon Oil Company. In this matter, Marathon seeks an order force pooling all mineral interests from the surface to the base of the Siluro-Devonian formation in the SE/4 SE/4 (Unit P) of Section 14, Township 16 South, Range 38 East, NMPM, Lea County, New Mexico. Order R-8282 was entered by the Division on August 21 granting in total the application of Marathon, including the imposition of a 200% risk penalty. On August 22, 1986, Marathon filed for hearing de novo.

My cliert, James A. Davidson, is the owner of a 38.125% working interest in the acreage pooled by this order and has been attempting to reach a voluntary agreement with Marathon for the development of this tract. These negotiations have continued since the Examiner hearing.

Section 70-2-13, N.M.S.A. 1978, authorizes hearings de novo before the full Commission following the entry of Division orders in certain specific circumstances. The relevant portion of this statute reads:

"When any matter or proceeding is referred to an examiner and a decision is rendered thereon, any party of record adversely affected shall have the right to have the matter heard de novo before the commission upon application filed with the division within thirty days from the time any such decision is rendered."

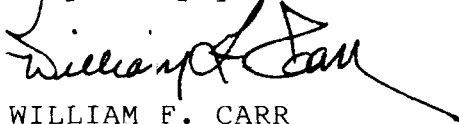
Mr. R. L. Stamets, Director
Oil Conservation Division
September 10, 1986

Marathon does not have standing before the Division to bring this case back on for hearing de novo since it is not a party of record adversely affected by Order R-8282 and its application for hearing de novo should therefor be dismissed.

Furthermore, we submit that the above-quoted section of the statute expressly provides that Mr. Davidson, a party of record adversely affected by Order R-8282, has thirty days within which to decide whether or not he should pursue the case further. Marathon's August 22 application for hearing de novo is nothing more than an attempt to deny Mr. Davidson the statutorially authorized time within which to attempt to reach a voluntary agreement for development of this acreage or to decide to appeal this case and is further evidence of the bad faith Marathon has brought to the negotiations with Mr. Davidson.

For the above-stated reasons, James A. Davidson moves that the application of Marathon Oil Company for hearing de novo in the above-referenced case be dismissed. Mr. Davidson will make his decision as to whether or not he should pursue this case further within the time frame authorized by statute.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long horizontal flourish extending to the right.

WILLIAM F. CARR

WFC/ab

cc: James A. Davidson
Tom Kellahin

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

KELLAHIN and KELLAHIN
Attorneys at Law
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August 22, 1986

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AUG 25 1986

OIL CONSERVATION DIVISION

Bill

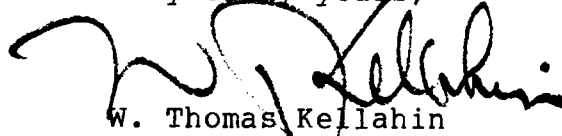
Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Marathon Oil Company
Case 8960, Order R-8282

Dear Mr. Stamets:

On behalf of Marathon Oil Company, we hereby request that this matter be set for a DeNovo hearing to be heard on the Commission's next docket now scheduled for September 18, 1986.

Very truly yours,


W. Thomas Kellahin

WTK:ca

cc: Lawrence D. Garcia, Esq.
Marathon Oil Company
P. O. Box 3128
Houston, Texas 77253

William F. Carr, Esq.
Campbell & Black
P. O. Box 2208
Santa Fe, New Mexico 87504