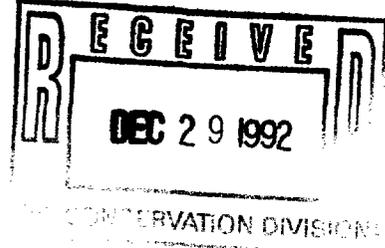


BEFORE THE
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MARATHON OIL COMPANY FOR
REINSTATEMENT OF UNDERPRODUCTION
FOR A GPU IN THE INDIAN BASIN-
UPPER PENNSYLVANIAN GAS POOL,
EDDY COUNTY, NEW MEXICO.



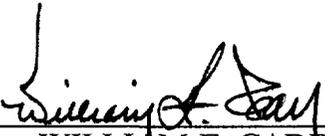
CASE NO. 10657

ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby
enters its appearance in the above referenced case on behalf of Chevron USA Production
Company.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

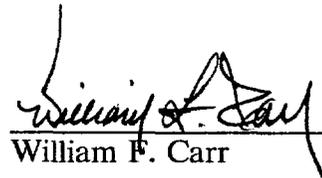
By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR CHEVRON USA
PRODUCTION COMPANY

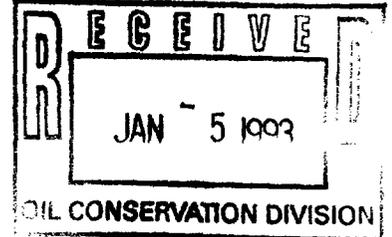
CERTIFICATE OF MAILING

I hereby certify that I have caused to be mailed a copy of our Entry of Appearance in the above-captioned case to:

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504


William F. Carr

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. 10657

**APPLICATION OF MARATHON OIL COMPANY
FOR REINSTATEMENT OF UNDERPRODUCTION
FOR A GPU IN THE INDIAN BASIN-UPPER
PENNSYLVANIAN GAS POOL, EDDY COUNTY,
NEW MEXICO**

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 552
Midland, Texas 79702
(915) 687-8144

ATTORNEY

Thomas C. Lowry
MARATHON OIL COMPANY
P.O. Box 552
Midland, Texas 79702

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

OTHER PARTY

CHEVRON USA PRODUCTION CO.

ATTORNEY

William F. Carr
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Pre-Hearing Statement
Case No. 10657
Page 2

STATEMENT OF CASE

APPLICANT

Marathon Oil Company ("Marathon"), Applicant, seeks an Order from the Division to reinstate previously cancelled underproduction for a gas proration unit ("GPU") dedicated to its Indian Basin "D" Well No. 1 located in Unit K of Section 34, Township 21 South, Range 23 East, NMPM.

The well is located in the Indian Basin-Upper Pennsylvanian Gas Pool which is a prorated pool. On January 1, 1990, the subject GPU was reclassified from non-marginal to marginal. At that time the GPU had an underproduction credit of 167,966 MCF of gas, which was then cancelled.

Thereafter, on February 1, 1991, work over operations were completed on the well in the subject GPU and it was reclassified from marginal to non-marginal.

By the end of March, 1991, the subject GPU had overproduced its allowable of gas. In accordance with Rule 14(b) of the General Rules for Prorated Gas Pools, Marathon seeks to have the 167,966 MCF of previously cancelled underproduction reinstated and credited against its overproduction for this GPU.

Marathon has notified all operators in the pool of this application and believes that there is no opposition to the granting of this Application.

OTHER PARTY

SEE OTHER PARTY FILING, IF ANY

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Craig Kent Petroleum Engineer	30 Minutes	4 Exhibits

OPPOSITION OR OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
SEE OTHER PARTY FILING		

PROCEDURAL MATTERS

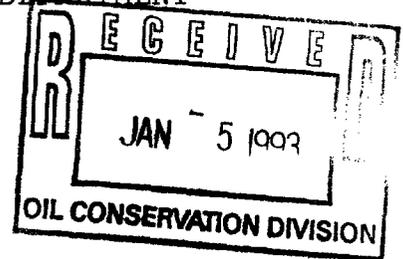
None applicable at this time.

KELLAHIN and KELLAHIN

By: 

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

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



IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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CASE NO. 10657

**APPLICATION OF MARATHON OIL COMPANY
FOR REINSTATEMENT OF UNDERPRODUCTION
FOR A GPU IN THE INDIAN BASIN-UPPER
PENNSYLVANIAN GAS POOL, EDDY COUNTY,
NEW MEXICO**

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

APPEARANCE OF PARTIES

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MARATHON OIL COMPANY
P.O. Box 552
Midland, Texas 79702
(915) 687-8144

ATTORNEY

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OTHER PARTY

CHEVRON USA PRODUCTION CO.

ATTORNEY

William F. Carr
Campbell, Carr, Berge &
Sheridan
P.O. Box 2208
Santa Fe, NM 87504
(505) 988-4421

STATEMENT OF CASE

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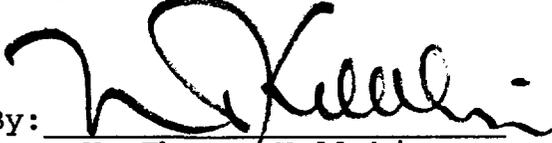
OPPOSITION OR OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
SEE OTHER PARTY FILING		

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN and KELLAHIN

By: 
W. Thomas Kellahin

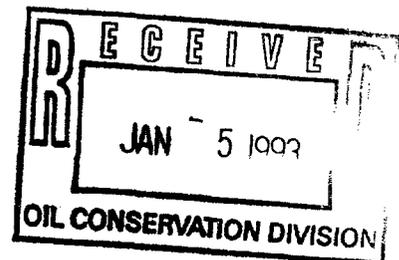
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
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WITNESSES	EST. TIME	EXHIBITS
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OPPOSITION OR OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
SEE OTHER PARTY FILING		

PROCEDURAL MATTERS

None applicable at this time.

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