



# NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

June 9, 1999

**Marathon Oil Company**  
**P.O. Box 552**  
**Midland, Texas 79702-0552**  
**Attention: Walter Dueease**



***Administrative Order NSL-4311(SD)***

Dear Mr. Dueease:

Reference is made to the following: (i) your application dated May 18, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") response by letter from Mr. Michael E. Stogner, Engineer in Santa Fe, dated May 24, 1999; (iii) Mr. Stogner's telephone conversation with Mr. W. Thomas Kellahin, Legal Counsel for Marathon Oil Company ("Marathon"), on Wednesday, May 26, 1999; and (iv) the Division's records, including the file in Case No. 11088: all concerning Marathon's request for a second infill gas well to be drilled at an unorthodox gas well location within an existing 640-acre standard gas spacing and proration unit comprising all of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

**The Division Director Finds That:**

- (1) Marathon is proposing to drill its Indian Basin "C" Well No. 3 at a location that is 1360 feet from the South line and 2200 feet from the East line (Unit J) of Section 26;
- (2) The Indian Basin-Upper Pennsylvanian Gas Pool currently comprises the following described area in Eddy County, New Mexico:

**TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM**

Section 3:	W/2
Section 4:	All
Sections 8 and 9:	All
Section 10:	W/2
Section 15:	W/2
Sections 16 through 30:	All
Sections 32 through 35:	All
Section 36:	W/2

**TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM**