



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 7, 1996

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702
Attention: Walter J. Ducease

Administrative Order NSL-3669

Dear Mr. Ducease:

Reference is made to your application dated April 26, 1996 seeking an exception to **Rule 4** of the "*Special Rules and Regulations for the Cass (Pennsylvanian) Pool*" for its existing Hansen State Well No. 3 (API No. 30-025-06126), located at an unorthodox oil well location for said pool 660 feet from the North line and 990 feet from the East line (Unit A) of Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

The Hansen State Well No. 3 was originally drilled to a total depth of 3,887 feet in 1937 and is completed in the Eunice-Monument Grayburg San Andres Pool. It is our understanding that Marathon Oil Company intends to deepen said well to the Pennsylvanian formation in order to test for oil in the Cass Pool.

By the authority granted me under the provisions of **Rule 5** of said special pool rules and **Rule 104.F(2)** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996., the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written over the word "Sincerely," and extends down the page.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe