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P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

July 28, 1995

Mr. William J. LeMay Oil Conservation Division Energy, Minerals and Natural Resources Department 2040 South Pacheco Santa Fe, New Mexico 87505

RE: Prorated Gas Allowable for October, 1995 through March, 1996 Period Blinebry Gas Pool Lea County, New Mexico

Dear Mr. LeMay,

Marathon Oil Company operates nine active wells in the Blinebry Gas Pool. Although we will not present testimony at the August 3, 1995 hearing, we would like to express our position regarding the proposed gas allowable for the Blinebry Gas Pool.

Marathon Oil Company supports an acreage allocation factor of 42,550 MCF per month. We believe this will permit equitable sharing between the owners in the gas pool based on the present production capacity of the producers in the pool. We believe that this allowable will protect the current income of those operators who have made investments to obtain production increases.

Sincerely yours,

Jim Distor

T. N. Tipton Engineering Manager Midland Operations