



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 17, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552
Attention: Jerry Fletcher

Administrative Order NSL-4490(SD)

Dear Mr. Fletcher:

Reference is made to the following: (i) your application dated June 19, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Marathon Oil Company's ("Marathon") request for an unorthodox Tubb gas well location within an existing standard 160-acre gas spacing and proration unit ("GPU") for the Tubb Oil and Gas Pool comprising the SW/4 of Section 27, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU is currently dedicated to Marathon's W. S. Marshall "B" Well No. 2 (API No. 30-025-06819) located at a standard gas well location 660 feet from the South and West lines (Unit M) of Section 27.

It is our understanding that the subject well in this application, Marathon's W. S. Marshall "B" Well No. 7 (API No. 30-025-06822), was originally drilled by The Ohio Company in 1950 to a total depth of 7,774 feet in order to test the Brunson-Ellenburger interval for oil production at a standard oil well location 2310 feet from the South line and 330 feet from the West line (Unit L) of Section 27. This well is currently completed in the Wantz-Abo Pool. It is further understood that Marathon now intends to abandon the Abo zone and recomplete this well up-hole into the Tubb Oil and Gas Pool.

Pursuant to Rule 2(b)1 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool," as promulgated by Division Order No. R-8170, as amended, the location of the W. S. Marshall "B" Well No. 7 is considered to be unorthodox.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By authority granted me under the provisions of Rule 2(d) of the special rules for the Tubb Oil and Gas Pool and Division Rule 104.F (2), the unorthodox gas well location of the W. S. Marshall "B" Well No. 7 is hereby approved.

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Also, you are hereby authorized to simultaneously dedicate Tubb gas production from both the W. S. Marshall "B" Wells No. 2 and 7. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a large, stylized flourish or scribble.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /