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PMESD-422233
S.B.P. ~~STG~~: 8/16/04



**Marathon
Oil Company**

P.O. Box 3487
Houston, TX 77253-3487
Telephone 713/629-6600

RECEIVED

July 16, 20004

JUL 26 2004

**OIL CONSERVATION
DIVISION**

**RE: Request for Exception to Rule 104
Non-Standard Gas Proration Unit for the Tubb Oil & Gas Pool**

Lou Worthan Well No. 15
Unit Letter 'G', 1980' FNL & 1860' FEL
Section 11, T-22-S, R-37-E
Lea County, New Mexico

30-025-25304

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Marathon Oil Company respectfully requests an exception to Rule 104 for a 40 acre non-standard spacing for the Lou Worthan No. 15 in the Tubb Oil and Gas (86400) Gas pool. This gas pro-ration unit will be comprised of the area in Unit Letter "G" , Section 11, T-22-S, R-37-E in Lea County, New Mexico.

Currently, the remaining 120 acres of this quarter are dedicated to three wells in forty acre increments leaving UL " G" as the only undeveloped Tubb acreage in the 160 acre pro-ration unit. These wells consist of two oil wells and one gas unit on a non-standard pro-ration unit. The other Tubb Oil & Gas wells are as follows:

Lou Worthan No. 16 (Oil Well)	API No. 30-025-25383	UL "B"	
Lou Worthan No. 18 (Oil Well)	API No. 30-025-25568	UL "H"	
Lou Worthan No. 14 (Gas Well)	API No. 30-025-25255	UL "A"	NSP-1803

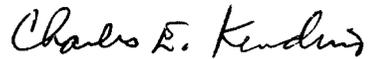
There are two other wells in this quarter section that are producing from reservoirs other than the Tubb Oil & Gas. These are as follows:

Lou Worthan No. 4 (Blinebry Oil Well)	API No. 30-025-10213	UL "G"
Lou Worthan No.12 (Blinebry Gas Well)	API No. 30-0205-10221	UL "H"

It is Marathon's intent to recomplete the Lou Worthan No. 15 in the Tubb Oil and Gas Reservoir upon receipt of NMOCD approval.

Attached is a C-102 showing the well location and footage in addition to the highlighted 40 acre dedicated acreage area. Marathon has also sent this same information to the offset operator, John H. Hendrix Corporation. Please see attached letter to them. If you have any questions or have need of additional data, please contact me at (713) 296-2096 or by email at cekendrix@MarathonOil.com

Sincerely,

A handwritten signature in cursive script that reads "Charles E. Kendrix".

Charles E. Kendrix
Engineering Technician

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-25304		² Pool Code 86440		³ Pool Name Tubb Oil & Gas (Gas)	
⁴ Property Code 006488		⁵ Property Name Lou Worthan			⁶ Well Number 15
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3353'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	11	22-S	37-E		1980	North	1860	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Charles E. Kendrick</i></p> <p>Signature</p> <p>Charles E. Kendrick</p> <p>Printed Name</p> <p>Engineering Technician</p> <p>cekendrix@MarathonOil.com</p> <p>Title and E-mail Address</p> <p>07/16/2004</p> <p>Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p><i>M. J. [Signature]</i></p> <p>Certificate Number</p>

Consistent to Division Records the 1/2 of Section 11 is the Lou Worthan ~~has~~ See lease w/ common ownership.

OFFSET OPERATORS
Lease NM - 377 -
Lou Worthan
N/2 of Section 11,
T-22-S, R-37-E, N.M.P.M.
Lea County, New Mexico
Drinkard Field

T-22-S, R-37-E

N/2 Section 11
Marathon Oil Company
P.O. Box 3487
Houston, Texas 77253-3487

S/2 Section 11
John H. Hendrix Corporation
P.O. Box 3040
Midland, Texas 79702-3040



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Oil Company**

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Telephone 713/629-6600

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Midland, Texas 79702-3040

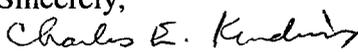
Dear Ladies and Gentlemen:

This letter is to inform you, as off-set operator of leases adjacent to Marathon's Lou Worthan lease (N/2 Section 11, T-22-S, R-37-E), of Marathon Oil Company's request to the New Mexico Oil Conservation Division for an exception to Rule 104. Marathon is seeking a 40 acre non-standard spacing for the Lou Worthan No. 15 in the Tubb Oil and Gas (86400) Gas pool. This gas pro-ration unit will be comprised of the area in Unit Letter "G", Section 11, T-22-S, R-37-E in Lea County, New Mexico. It is Marathon's intent to recomplete the Lou Worthan No. 15 in the Tubb Oil and Gas Reservoir upon receipt of NMOCD approval.

In the event you would like to express your concerns or objections to this application please contact the following:

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: To Mr. Michael Stogner

If you have any questions or have need of additional information, please contact me at (713) 296-2096 or by email at cekendrix@MarathonOil.com

Sincerely,

Charles E. Kendrix
Engineering Technician