



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

October 27, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 2490
Hobbs, New Mexico 88240
Attention: Thomas P. Kacir, Production Engineer

RE: NMOCD Correspondence Reference No. SD-00-04: *Tubb Oil and Gas Pool development within an existing non-standard 160-acre gas spacing and proration unit ("GPU") comprising the S/2 NE/4 and N/2 SE/4 of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1475 (L), dated November 6, 1985.*

Dear Mr. Kacir:

Reference is made to your letter dated May 8, 2000 notifying the New Mexico Oil Conservation Division's ("Division") Santa Fe office of Marathon Oil Company's plans for further Tubb gas development within the existing 160-acre non-standard gas spacing and proration unit ("GPU") comprising the S/2 NE/4 and N/2 SE/4 of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, which was also the subject of Division Administrative Order DHC-2750, dated June 22, 2000.

The rules currently governing spacing, well locations, and allowables for the Tubb Oil and Gas Pool include, but not necessarily limited to:

- (a) *"Special Rules and Regulations for the Tubb oil and Gas Pool"*, as promulgated by Division Order No. R-8170, dated March 28, 1986, as amended by Division Orders No. R-8170-H, dated December 10, 1990, and R-10987, dated May 7, 1998; and
- (b) Division Rules 104 and 605.

It is our understanding that gas production attributed to the Tubb Oil and Gas Pool within this 160-acre GPU will to be simultaneously dedicated to the following two wells:

- J. L. Muncy Well No. 6 (**API No. 30-025-29218**), located at an unorthodox gas well location [also approved by Division Administrative Order NSP-1475 (L)] 1920 feet from the South line and 330 feet from the East line (Unit I) of Section 24; and

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- J. L. Muncy Well No. 11 (API No. 30-025-33947), located at a standard gas well location 2310 feet from the North line and 1980 feet from the East line (Unit G) of Section 24.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-1475(L)
DHC-2750 /