



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 4, 1998

Marathon Oil Company
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Administrative Order NSL-4175(SD)

Dear Mr. Kellahin:

Reference is made to your application dated September 2, 1998 on behalf of the operator, Marathon Oil Company ("Marathon"), for a non-standard oil/gas well location in an existing standard 340.40-acre spacing and proration unit for the Indian Basin-Upper Pennsylvanian Associated Pool comprising Lots 1 through 8 (N/2 equivalent) of Section 33, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of: (i) **Rule 2(c)** of the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool*," as promulgated by Division Order Nos. R-9922, R-9922-A, R-9922-B, and R-9922-C and the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended; and, (ii) Division General Rule 104.F(2), the following described well, which was drilled and completed by Marathon in 1996 at an unorthodox oil/gas well location within the Indian Basin-Upper Pennsylvanian Associated Pool is hereby approved:

Indian Hills Unit Well No.12
(API No. 30-015-28813)
2080' FNL - 2130' FWL (Lot 6/Unit F) of Section 33.

Also, Marathon is hereby authorized to simultaneously dedicate production attributed to the Indian Basin-Upper Pennsylvanian Associated Pool from the Indian Hills Unit Well No. 12 with its Indian Hills Unit Well No. 9 (**API No. 30-015-28754**), located at a standard location 990 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of Section 33. Furthermore, Marathon is permitted to produce the allowable assigned the subject 340.40-acre spacing and proration unit from both wells in any proportion.

Sincerely,

Lori Wrotenberg by DC
Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad