



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

January 4, 1999

Marathon Oil Company  
P. O. Box 552  
Midland, Texas 79702-0552  
Attention: Walter J. Ducease

*Administrative Order NSL-4191*

Dear Mr. Ducease:

Reference is made to the following: (i) your application dated December 14, 1998, which was received on December 30, 1998; (ii) the records of the Division in Santa Fe; and (iii) Division Order No. R-9922-D, issued in Case No. 12006 dated December 7, 1998, which adjusted the Upper-Pennsylvanian pool boundaries in the area subject to your application: all concerning Marathon Oil Company's request for a non-standard oil/gas well location within a 314.54-acre standard spacing and proration unit for the Indian Basin-Upper Pennsylvanian Associated Pool comprising Lots 1, 2, 7, and 8 and the SE/4 (E/2 equivalent) of Section 20, 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 Rules and Regulations of the New Mexico Oil Conservation Division ("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, R-9922-C, and R-9922-D 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, to be drilled at an unorthodox oil/gas well location within the Indian Basin-Upper Pennsylvanian Associated Pool is hereby approved:

***Indian Hills Unit Well No. 18  
409' FSL - 2324' FEL (Unit O) of Section 20.***

It is our understanding that this well is to be a replacement for Marathon Oil Company's Indian Hills Unit Well No. 2 (API No. 30-015-10618), located in Unit "O" of Section 20, which was drilled by Ralph Lowe in 1965 and produced from the Upper-Pennsylvanian interval until 1980 when this well was temporarily abandoned.

Further, Marathon Oil Company will assure that any and all wells in Section 20 producing from the Indian Basin-Upper Pennsylvanian Associated Pool are being operated pursuant to the requirements of Division Order No. R-9922-D.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

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