



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 13, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552
Attention: Bryan L. Williams

Administrative Order NSL-4191-A (SD)

Dear Mr. Williams:

Reference is made to the following: (i) your application dated June 20, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Order NSL-4191, dated January 4, 1999: all concerning Marathon Oil Company's ("Marathon") request for an exception to Rule 2 (b) of the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool*", as promulgated by New Mexico Oil Conservation Division ("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, for an infill well to be drilled at an unorthodox location within an existing 314.54-acre stand-up spacing and proration unit comprising Lots 1, 2, 3, and 4 and the SE/4 (E/2 equivalent) of Section 20, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

This unit is currently dedicated to Marathon's Indian Hills Unit Well No. 18 (**API No. 30-015-30564**), located at an unorthodox location (approved by Division Administrative Order NSL-4191) 409 feet from the South line and 2324 feet from the East line (Unit O) of Section 20.

The subject application has been duly filed under the provisions of Division Rule 104.F and Rule 2 (c) of the Division's associated pool rules.

By the authority granted me under the provisions of Division Rule 104.F (2) and the applicable provisions of the special rules governing the Indian Basin-Upper Pennsylvanian Associated Pool the following described well to be drilled at an unorthodox infill location within this 314.54-acre unit is hereby approved:

Indian Hills Unit Well No. 25
1093' FNL & 1367' FEL (Lot 2/Unit B) of Section 20
(API No. 30-015-31194).

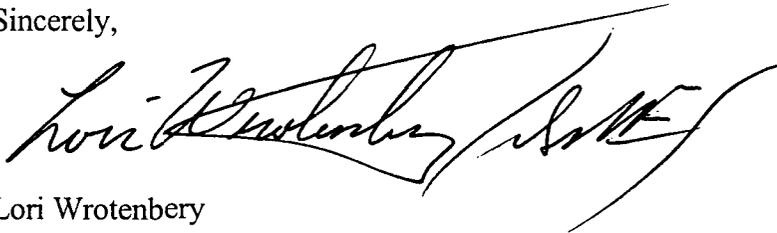
Marathon is hereby authorized to simultaneously dedicate production attributed to the

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Indian Basin-Upper Pennsylvanian Associated Pool from its existing Indian Hills Unit Well No. 18 with its proposed Indian Hills Unit Well No. 25. Furthermore, Marathon is permitted to produce the allowable assigned the subject 314.54-acre spacing and proration unit from both wells in any proportion.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

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

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
U. S. Bureau of Land Management - Roswell
File: NSL-4191