



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 21, 1997

Marathon Oil Company
P. O. Box 2409
Hobbs, New Mexico 88241-2409
Attention: Rick Gaddis

Administrative Order NSP-440-C

Dear Mr. Gaddis:

Reference is made to your application dated January 27, 1997, for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 13: SW/4

It is my understanding that this unit is to be dedicated to your proposed McDonald State A/C-2 Well No. 36 (API No. 30-025-33797), to be drilled at a standard gas well location 990 feet from the South line and 1980 feet from the West line (Unit N) of said Section 13.

By the authority granted me under the provisions of **Rule 2(a)4** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, Marathon Oil Company is hereby authorized to operate the above-described non-standard gas spacing and proration unit, with allowable assigned thereto in accordance with Rule 5 of said special pool rules based upon the unit size of 160 acres.

Sincerely,

by  Deputy Director

William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

File: NSP-440/440-A

NSP-440-B

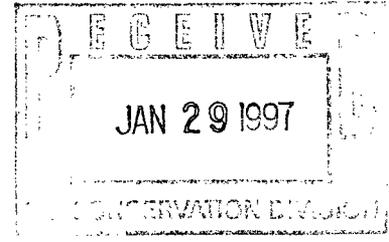
NSP 2/18/97

Mid-Continent Region
Production United States



P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

January 27, 1997



Application for Non-Standard Gas Proration Unit
Eumont(Yates, 7R, Queen) Pool
McDonald State A/C 2 Well No. 36
Unit Letter N, 990' FSL and 1980' FWL
Section 13, T-22-S, R-36-E
Lea County, New Mexico

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. William J. Lemay

Dear Sir,

Marathon Oil Company respectfully requests administrative approval for a non-standard gas proration unit consisting of 160 acres for the Eumont(Yates, 7R, Queen) Pool within the McDonald State A/C 2 Well No. 36. Attached is a C-102 showing the requested proration unit and well location. The approval of the non-standard gas proration unit will allow for the drilling of an additional gas well to produce gas reserves that may not be produced by the existing wellbores.

If you have any questions or have need of additional information, please contact myself at (505) 393-7106, ext 201.

Sincerely,

Rick Gaddis
Advanced Production Engineer

Attachments:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33797		² Pool Code 76480		³ Pool Name Eumont (Yates, 7R, Qn)	
⁴ Property Code 6436		⁵ Property Name McDonald State A/C 2			⁶ Well Number 36
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3460'

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
N	13	22-S	36-E		990	South	1980	West	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 160	¹³ Joint or Infill	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>13</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>Rick Gaddis</i></p> <p>Signature Rick Gaddis</p> <p>Printed Name Advanced Production Engineer</p> <p>Title 1/22/97</p> <p>Date</p>
	<p>1980'</p> <p>990'</p> <p>36</p> <p>← 160 acre proration unit</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>Certificate Number</p>

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

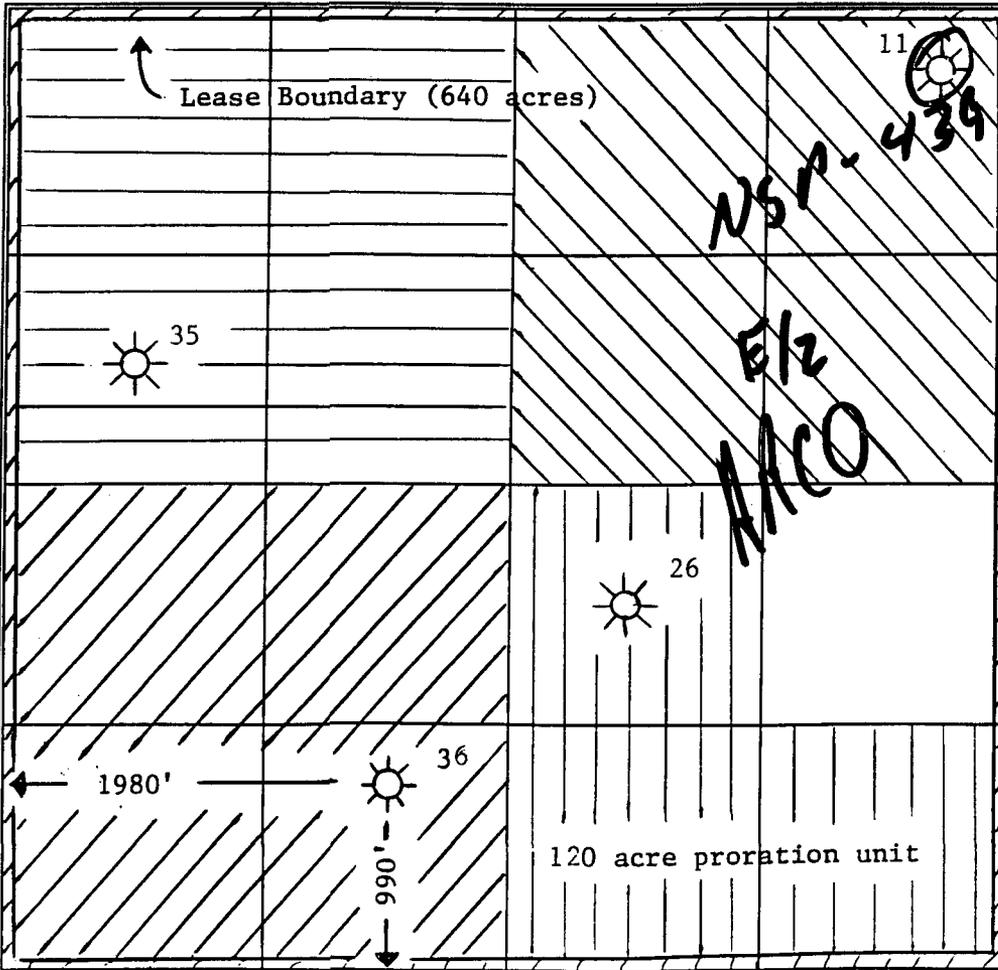
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33797		² Pool Code 76480		³ Pool Name Eumont (Yates, 7R, Qn)	
⁴ Property Code 6436		⁵ Property Name McDonald State A/C 2			⁶ Well Number 36
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3460'

¹⁰ Surface Location									
UL or lot no. N	Section 13	Township 22-S	Range 36-E	Lot. Idn	Feet from the 990	North/South Line South	Feet from the 1980	East/West line West	County 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 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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



¹⁷ OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Information Copy

Signature
 Rick Gaddis

Printed Name
 Advanced Production Engineer

Title
 1/22/97

Date

¹⁸ SURVEYOR CERTIFICATION
 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.

Date of Survey

Signature and Seal of Professional Surveyer:

Certificate Number

24 N/2 ARCO

MARATHON OIL COMPANY
McDonald State A/C 2 Well No. 36

Application for Non-Standard Gas Proration Unit
McDonald State A/C 2 Well No. 36
Eumont(Yates, 7R, Queen) Pool
SW4, Section 13, T-22-S, R-36-E
Lea County, New Mexico

OFFSET OPERATORS

Arco Permian
P.O. Box 1610
Midland, Texas 79702

E/2, Section 13, T-22-S, R-36-E
N/2, Section 24, T-22-S, R-36-E

Conoco Inc.
10 Desta Drive, Suite 100w
Midland, Texas 79705

NE/4, Section 23, T-22-S, R-36-E

January 27, 1997

Arco Permian
P. O. Box 1610
Midland, Texas 79702

EXAMPLE ONLY

Administrative Application for Non-Standard
Gas Proration Unit
McDonald State A/C 2 Well No. 36
Unit Letter N, 990' FSL & 1980' FWL
Section 13, T-22-S, R-36-E
Eumont(Yates, 7R, Queen) Pool
Lea County, New Mexico

Gentlemen:

Attached is a copy of Marathon's Oil Company administrative application for NMOCD approval for an Non-standard gas proration unit for the McDonald State A/C 2 Well No. 36 in the Eumont(Yates, 7R, Queen) Pool for a 160 acre proration unit.

As an offset operator, if you do not have any objections to the attached application, please sign the enclosed waivers and mail the original and two copies to the NMOCD in Santa Fe and one copy to the NMOCD in Hobbs. We would also request that you send a copy to Marathon Oil Company in Hobbs. We have enclosed a self addressed, stamped envelope for your convenience.

If you have any questions please contact Rick Gaddis at 505/393-7106 ext 201. Your prompt consideration in the above matter is appreciated.

Sincerely,

Rick Gaddis
Advanced Production Engineer

**MARATHON OIL COMPANY
MCDONALD STATE A/C 2 LEASE**

Application for Non-Standard Gas Proration Unit
McDonald State A/C 2 Well No. 36
Eumont(Yates, 7R, Queen) Pool
SW4, Section 13 , T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Marathon Oil Company's application for NMOCD approval of a non-standard gas proration unit for the McDonald State A/C 2 Well No. 36 in the Eumont(Yates, 7R, Queen) Pool located in Unit Letter N, Section 13, T-22-S, R-36-E of Lea County, New Mexico.

Company: _____

Representative: _____

Signature: _____

Title: _____

Date: _____

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

03/21/97 15:19:34
OGOMES -EMG3

OGRID Idn : 14021 API Well No: 30 25 33797 APD Status(A/C/P): A
Opr Name, Addr: MARATHON OIL CO Aprvl/Cncl Date : 01-24-1997
PO BOX 552
MIDLAND, TX 79702

Prop Idn: 6436 MCDONALD STATE AC 2 Well No: 36

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----		-----	-----
Surface Locn :	N	13	22S	36E			FTG 990 F S	FTG 1980 F W
OCD U/L :	N		API County :	25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3460

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : 3850 Prpsd Frmtn : YATES SEVEN RIVERS QUEEN

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

NSP-440C



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

2/13/97

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:
MC _____
DHC _____
NSL _____
~~NSP _____~~
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

~~Marathon Oil Co. McDonald State A/c 2~~ [#] 316 N 1322332
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed