



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

August 1, 1995

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Thomas M. Price

Administrative Order NSP-1732(L)

Dear Mr. Price:

Reference is made to your application of July 10, 1995 to reduce the acreage of the existing 80-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the E/2 SW/4 of Section 26, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, which was approved by Division Order No. R-534, dated October 4, 1954, by omitting the 40 acres comprising the SE/4 SW/4 (Unit N) of said Section 26 from said GPU.

Eumont gas production from said GPU is currently simultaneously dedicated, under the authority of Division Administrative Order SD-94-4, dated November 10, 1994, to the McGrail State Well No. 1 (API No. 30-025-04078), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 26 and to the McGrail State Well No. 3 (API No. 30-025-32579), located at a standard gas well location 1880 feet from the South line and 1980 feet from the West line (Unit K) of said Section 26.

It is our understanding that such reduction of acreage is necessary due to the re-classification of the McGrail State Well No. 1 from a Eumont "gas" well to a Eumont "oil" well.

By authority granted me under the provisions of Rule 2(a)4 of the "Special Rules and Regulations for the Eumont Gas Pool", as promulgated by Division Order No. R-8170, as amended, the following described 40-acre non-standard gas spacing and proration unit is hereby approved:

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LEA COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 26: NE/4 SW/4

Further, by the authority granted me under the provisions of Rule 2(c) of said special Eumont Gas Pool rules, the resulting unorthodox Eumont gas well location of the McGrail State Well No. 3 for the subject 40-acre unit is hereby approved.

Both Division Order No. R-534 and Administrative Order SD-94-4 shall be placed in abeyance until further notice.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: SD-94-4