



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 7, 1997

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

Administrative Order NSP-1774 (SD)

Dear Mr. Kacir:

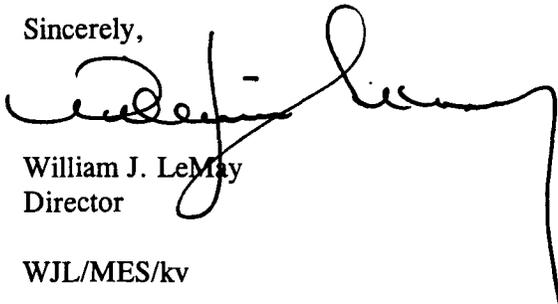
Reference is made to your application dated June 6, 1997 for a 120-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4 SW/4 and S/2 SW/4.

It is my understanding that this unit is to be simultaneously dedicated to your existing Mark Owen Well No. 2 (API No. 30-025-25481) located at a standard gas well location 660 feet from the South and West lines (Unit M) of said Section 35, the Mark Owen Well No. 3 (API No. 30-025-07038) 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 35, and the Mark Owen Well No. 4 (API No. 30-025-07040) located at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 35.

By authority granted me under the provisions of Rule 4(b)2 of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*" as promulgated by Division Order No. R-8170, as amended, the above-described 120-acre non-standard gas spacing and proration unit is hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 120 acres.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs