

NSP- LSD

January 17, 1996

Rec. 1/11/96
Susp 1/31/96
Released _____

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88241-2409

Attention: Rick Gaddis

*Administrative Order NSP-****(L)(SD)*

Dear Mr. Gaddis:

Reference is made to your applications dated January 9 and 12, 1996 for a 119.84-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 1: Lot 3 and the S/2 NW/4

It is my understanding that this unit is to be simultaneously dedicated to your existing Walter Lynch Well No. 6 (API No. 30-025-25131), located at an unorthodox gas well location 2310 feet from the North line and 1980 feet from the West line (Unit F) of said Section 1 and to your existing Walter Lynch Well No. 8 (API No. 30-025-25644), located at a standard gas well location 1880 feet from the North line and 760 feet from the West line (Unit E) of said Section 1.

By authority granted me under the provisions of Rules 2(a)4 and 2(c) 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 119.84-acre non-standard gas spacing and proration unit and the unorthodox gas well location for the Walter Lynch Well No. 6 are 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 119.84 acres.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSP-694

REMARKS: It is our understanding that the previously approved 119.77-acre non-standard gas spacing and proration unit comprising Lot 4 and the S/2 NW/4 of said Section 1 (authorized by Division Administrative Order NSP-694, dated October 19, 1964), in which was dedicated the Walter Lynch Well No. 4 located in Lot 4 (Unit D) of said Section 1 has been reclassified as a Blinebry oil well and is no longer applicable. Therefore, said Division Administrative Order NSP-694 is hereby placed in abeyance until further notice.