



MARATHON OIL COMPANY  
Thomas C. Lowry, Region Counsel  
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Midland, TX 79702

## **FACSIMILE TRANSMITTAL**

DATE: August 13, 1997  
PAGES: 2  
RECIPIENT: Mr. William J. Lemay  
FIRM: NMOCD  
RECIPIENT'S NUMBER: 505-827-8177  
SENDER'S FAX: 915-687-8171  
SENDER'S PHONE: 915-687-8144  
COMMENTS:

Re: Case No. 11829; October 1997 - March 1998 Gas Allowables

Dear Mr. Lemay,

Attached is a letter setting out Marathon's support for continuing the allocation factor for the Blinebry Pool at the level currently in effect.

Sincerely,

Thomas C. Lowry

### **IMPORTANT CONFIDENTIALITY NOTICE**

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Mid-Continent Region  
Production United States



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August 12, 1997

Mr. William J. Lemay  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco St.  
Sante Fe, New Mexico 87505

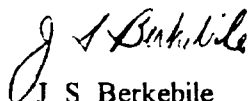
Re: Prorated Gas Allowable for October, 1997 through March, 1998.

Dear Mr. Lemay,

Marathon Oil Company operates thirteen (13) active gas wells in the Blinebry Oil and Gas Pool of Lea County, New Mexico or approximately 22% of the 1996 gas sales from this pool. In terms of F-1 allocation factors for non-marginal Blinebry gas wells, Marathon currently operates seven non-marginal wells with an F-1 factor of 2.75. Although we will not be presenting detailed testimony on the Blinebry Gas Pool at the August 14, 1997 Allowable Hearing, Marathon would like to express its position regarding the proposed gas allowable for the Blinebry Gas Pool.

Marathon Oil Company supports an F-1 Acreage Allocation Factor of 70,200 MCF per month. We believe that there is an adequate demand for Blinebry Pool gas to justify the current F-1 factor and that this F-1 factor will permit equitable sharing between the owners in this gas pool based on present/future production capacities. We also believe that this allowable will protect the current income of Blinebry Pool operators who have made significant investments in recompletion and development wells during the past several years and will enable operators to continue to develop their lease holdings in the future.

Sincerely yours

  
J. S. Berkebile  
Engineering Manager  
Midland Operations

H:MTW/NMOCD