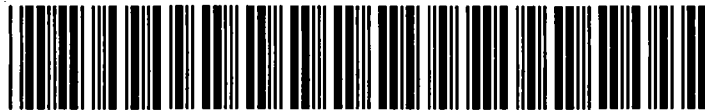




AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pDD00000172002

DD - 17

MARATHON OIL CO



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 6, 1988

Marathon Oil Company
c/o W. Thomas Kellahin
P.O. Box 2265
Santa Fe, NM 87504-2265

ADMINISTRATIVE ORDER DD-17 (SNSL) (NSP)

Gentlemen:

Under the provisions of Rule 111 (C) and (D), Marathon Oil Company made application to the New Mexico Oil Conservation Division on December 15, 1987, for permission to directionally drill and complete for the production of gas their proposed Indian Hills Unit Well No. 6.

The Division Director Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rule and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

(3) The applicant, Marathon Oil Company, proposes to drill their Indian Hills Unit Well No. 6 at an unorthodox surface location 560 feet from the south line and 1550 feet from the West line (Unit N) of Section 20, Township 21 South, Range 24 East, NMPM, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico;

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 4900 feet and drilling in such a manner as to penetrate the Indian Basin-Morrow Gas Pool within 50 feet of a point 1650 feet from the South and West lines of said Section 20.

(5) All of said Section 20 be be dedicated to the well forming a non-standard 631.58 acre gas spacing and proration unit for said pool which is developed on 640-acre spacing.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) Approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Marathon Oil Company, is hereby authorized to directionally drill its Indian Hills Unit Well No. 6 from an unorthodox surface location 560 feet from the South line and 1550 feet from the West line of Section 20, Township 21 South, Range 24 East, NMPM, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico by kicking off from the vertical at a depth of approximately 4900 feet, and drilling in such a manner as to penetrate said pool within 50 feet of a point 1650 feet from the South and West lines of said Section 20.

PROVIDED HOWEVER THAT, prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional drilling survey of the well.

PROVIDED FURTHER THAT, the subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P.O. Box 2088, Santa Fe, New Mexico, 87504-2088, and the operator shall notify the Division's Artesia District Office of the date and time said survey is to be commenced.

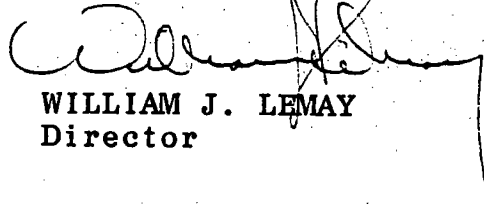
(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) All of said Section 20 to be dedicated to the well forming a non-standard 631.58 acre gas spacing and proration unit for said pool which is developed on 640 acre spacing.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L