



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 23, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Marathon Oil Company
P. O. Box 3487
Houston, Texas 77253-3487

Attention: Charles E. Kendrix
Regulatory Compliance Representative
cekendrix@marathonoil.com

Administrative Order NSP-1460-A

Dear Mr. Kendrix:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-617152641*) dated June 13, 2006 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 20, 2006; and (ii) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Orders NSP-1460 and NSP-1784: all concerning Marathon's request for a 40-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool (72480):

LEA COUNTY, NEW MEXICO **TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM** **Section 27: NE/4 SW/4.**

Your application has been duly filed under the provisions of: (i) Division Rules 104.D (2), 605.B, and 1210.A (2) [formerly Rule 1207.A (2)]; and (ii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*," as promulgated by Division Order No. R-8170, as amended.

It is the Division's understanding this proposed 40-acre GPU is to be dedicated to Marathon's existing W. S. Marshall "B" Well No. 4 (*API No. 30-025-06821*), located at a standard Blinebry gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 27.

By the authority granted me under the provisions of Division Rules 104.D (2) and 605.B (2), and the applicable provisions of the special Blinebry Oil and Gas pool rules, the above-described 40-acre non-standard is hereby approved. This newly established 40-acre GPU is to be dedicated to the above-described W. S. Marshall "B" Well No. 4 with an allowable assigned thereto in accordance with Rule 5 of the special Blinebry Oil and Gas pool rules based upon the unit size of 40 acres.

Marathon Oil Company

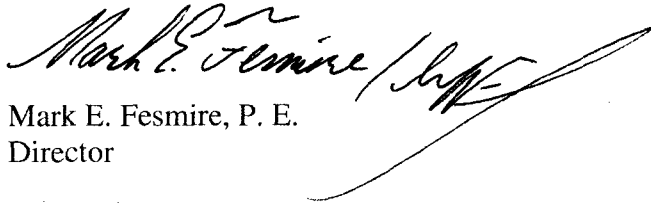
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Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire" followed by a stylized flourish or "MEF".

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
Files: NSP-1460
NSP-1784