



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

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

July 22, 1994

Marathon Oil Company
P.O. Box 552
Midland, TX 79702-0552

Attention: Thomas M. Price

Administrative Order NSL-3411(SD)

Dear Mr. Price:

Reference is made to your application dated June 22, 1994, for an unorthodox Jalmat gas well location in an existing non-standard 600-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the NE/4, NE/4 NW/4, S/2 NW/4, AND S/2 of Section 16, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order R-956, dated March 8, 1957 and presently has dedicated thereon the following three wells:

- McDonald State A/C-1 Com Well No. 5 located 1980 feet from the North and West lines (Unit F) of said Section 16 (API No. 30-025-08925);
- McDonald State A/C-1 Com Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 16 (API No. 30-025-08926); and
- McDonald State A/C-1 Com Well No. 25 located 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 16 (API No. 30-025-08931).

It is our understanding that the subject well is currently completed in the South Eunice Pool and upon issuance of this order will be recompleted in the Jalmat Gas Pool.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170 as amended, the following described well located at an unorthodox gas well location is hereby approved:

McDonald State A/C-1 Com Well No. 44
(API No. 30-025-31143)
660' FNL - 1960' FEL (Unit B).

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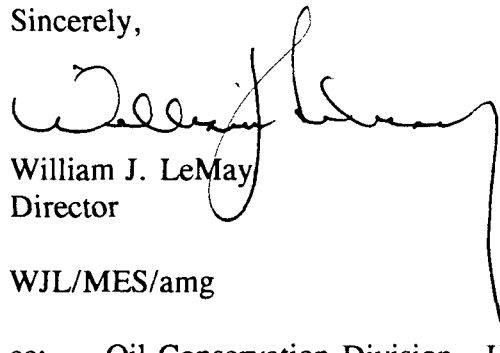
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Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the McDonald State A/C-1 Com Well Nos. 5, 6 and 25 with the McDonald State A/C-1 Com Well No. 44. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all of the said wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe