



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

FOR RECORD ONLY

CW/Donna

July 7, 1997

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88241-2409
Attention: Thomas P. Kacir

Administrative Order NSP-1774 (SD)

Dear Mr. Kacir:

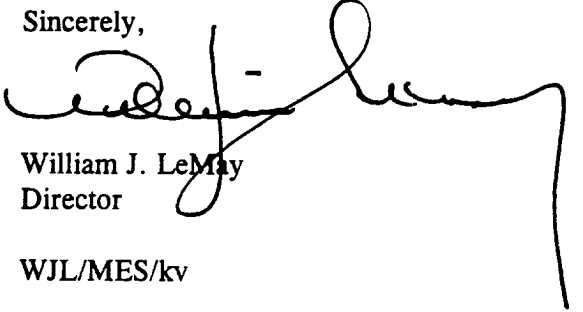
Reference is made to your application dated June 6, 1997 for a 120-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4 SW/4 and S/2 SW/4.

It is my understanding that this unit is to be simultaneously dedicated to your existing Mark Owen Well No. 2 (API No. 30-025-25481) located at a standard gas well location 660 feet from the South and West lines (Unit M) of said Section 35, the Mark Owen Well No. 3 (API No. 30-025-07038) located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 35, and the Mark Owen Well No. 4 (API No. 30-025-07040) located at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 35.

By authority granted me under the provisions of Rule 4(b)2 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 120-acre non-standard gas spacing and proration unit is 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 120 acres.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs