



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 6, 1999

Marathon Oil Company
P. O. Box 2490
Hobbs, New Mexico 88240
Attention: Thomas P. Kacir

Administrative Order SD-99-8

Dear Mr. Kacir:

Reference is hereby made to your application dated June 25, 1999. Marathon Oil Company ("Marathon") is hereby authorized to simultaneously dedicate Eumont Gas Pool production to the previously approved non-standard 160-acre gas spacing and proration unit ("GPU") comprising the NE/4 of Section 13, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico (see Division Administrative Order NSP-439, dated August 19, 1958), from the two following described wells:

- the original McDonald State "A/C-2" Well No. 11 (**API No. 30-025-08897**) located at an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 13 (approved by Division Administrative Order NSL-160, dated August 28, 1958); and
- the existing McDonald State "A/C-2" Well No. 31 (**API No. 30-025-25932**), recently recompleted up-hole from the Drinkard Pool and located at a standard gas well location 1800 feet from the North line and 1650 feet from the East line (Unit G) of Section 13.

Marathon is permitted to produce the allowable assigned this non-standard 160-acre unit from both wells in any proportion.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs ✓
New Mexico State Land Office - Santa Fe
Files: NSP-439
NSL-160