



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

July 15, 2001

Lori Wrotenbery

Director

Oil Conservation Division

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

Administrative Order NSP-1842(L)(SD)

Dear Mr. Kacir:

Reference is made to the following: (i) your application dated June 8, 2001; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Marathon Oil Company's request for an 80-acre non-standard gas spacing and proration unit consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 11: N/2 NW/4.

This application has been duly filed under the provisions of: (i) Division Rules 104.F and 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

It is our understanding that this unit is to be simultaneously dedicated to Marathon Oil Company's following two existing wells:

- (1) Lou Worthan Well No. 5 (API No. 30-025-10214), located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 11; and
- (2) Lou Worthan Well No. 19 (API No. 30-025-29469), located at an unorthodox gas well location 680 feet from the North line and 880 feet from the West line (Unit D) of Section 11.

By the authority granted me under the provisions of Division Rules 104.F (2) and 104.D (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Blinebry Oil and Gas Pool, the above-described 80-acre non-standard gas spacing and proration unit and resulting unorthodox gas well location for the Lou Worthan Well

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No. 19 is hereby approved.

This newly established 80-acre non-standard spacing and proration unit is to be simultaneously dedicated to the above-described Lou Worthan Wells No. 5 and 19, with allowable assigned thereto in accordance with Rule 5 of the special Blinbry Oil and Gas Pool rules based upon the unit size of 80 acres.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
File: NSL-1261
SD-99-5