



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 13, 1998

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

Administrative Order NSP-1795(SD)

Dear Mr. Kacir:

Reference is made to your application dated September 1, 1998 to reduce the acreage on an existing 160-acre standard gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising the NE/4 of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, by omitting the 40 acres comprising the SW/4 NE/4 (Unit G) of Section 11 from this GPU.

Division Order NSL-3676, dated June 4, 1996, authorized the simultaneous dedication of the 160-acre unit to Marathon Oil Company's: (i) Lou Worthan Well No. 4 (API No. 30-025-10213) located at a standard gas well location 1980 feet from the North and East lines of Section 11; (ii) Lou Worthan Well No. 12 (API No. 30-025-10221), located 1980 feet from the North line and 560 feet from the East line (Unit H) of Section 11 (this location is considered to be unorthodox, however Rule 2 of the "*Special Rules and Regulations for the Blinebry Gas Pool*", as promulgated by Division Order No. R-610, "grand fathered" this location as conforming to the rules); and, (iii) Lou Worthan Well No. 21 (API No. 30-025-33426), located at an unorthodox gas well location (approved by Division Administrative Order NSL-3676, dated June 4, 1996) 660 feet from the North line and 1350 feet from the East line (Unit B) of Section 11.

It is our understanding that such reduction of acreage is necessary due to the reclassification of the Lou Worthan Well No. 4 to a Blinebry oil well.

By authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described 120-acre non-standard gas spacing and proration unit is hereby approved:

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

This newly established 120-acre GPU is to be simultaneously dedicated to the above-described Lou Worthan Well Nos. 12 and 21, with allowable assigned thereto in accordance with

Administrative Order NSP-1795(SD)

Marathon Oil Company

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Rule 5 of the special Blinbry Pool rules based upon the unit size of 120 acres.

That portion of Division Administrative Order NSL-3676 not in conflict with the provisions set forth in this order shall remain in full force and effect until further notice.

Sincerely,



Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

File: NSL-3676

SD-96-7



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 1, 1998

Application for Non-Standard Gas Proration Unit
and to Simultaneously Dedicate
Blinebry Oil & Gas Pool Production

Lou Worthan Well No. 12
Unit Letter H, 1980' FNL & 560' FEL
Section 11, T-22-S, R-37-E
Lea County, New Mexico

Lou Worthan Well No. 21
Unit Letter B, 660' FNL & 1350' FEL
Section 11, T-22-S, R-37-E
Lea County, New Mexico

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Marathon Oil Company respectfully requests authorization for Non-Standard Gas Proration Unit and to simultaneously dedicate Blinebry Oil & Gas Pool Production to a 120 acre gas proration unit. This proposed gas proration unit will be comprised of the NE, SE, NW portion of the NE/4 of Section 11, T-22-S, R-37-E in Lea County, New Mexico.

Currently Administrative Order SD-96-7 and NSL-3676 apply Lou Worthan Well No. 4, 12 & 21 for simultaneously dedicate Blinebry gas production in a standard 160 acre proration unit. A recent workover/recompletion on Lou Worthan Well No. 4 has made it a Blinebry oil well. The wells on this lease to be simultaneously dedicate to this proposed non-standard gas proration unit for the Blinebry Oil & Gas Pool Production are:

Lou Worthan Well No. 12	API No. 30-025-10221
Lou Worthan Well No. 21	API No. 30-025-33426

This lease has 320 acres. A Blinebry Pool oil well (Lou Worthan Well No. 4, API No. 30-025-10213) has 40 acres dedicated to it in the SW portion of the NE/4 portion of Section 11. The 160 acres in the NW/4 of Section 11, is simultaneously dedicated to another Blinebry Gas Proration Unit Pool which includes Lou Worthan Well No. 5, API No. 30-025-10214 and Lou Worthan Well No. 9, API No. 30-025-10218.

Marathon also request a 30 day exception for theses well while awaiting approval. Attached are C-102's for each well showing the locations and footage for the two wells. If you have any questions or have need of additional data, please contact me at (505) 393-7106 ext. 201.

Sincerely,

Handwritten signature of Thomas P. Kacir.
Thomas P. Kacir
Production Engineer

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10221		² Pool Code 72480		³ Pool Name Blinebry Oil & Gas	
⁴ Property Code 6488		⁵ Property Name Lou Worthan			⁶ Well Number 12
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3341'

¹⁰ Surface Location									
UL or lot no. H	Section 11	Township 22-S	Range 37-E	Lot. Idn	Feet from the 1980	North/South Line North	Feet from the 560	East/West line East	County Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Dedicated Acres 160		¹³ Joint or Infill Y		¹⁴ Consolidation Code NA		¹⁵ Order No. NA			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Rick Gaddis</i></p> <p>Signature Rick Gaddis Printed Name Advanced Production Engineer Title 4/04/96 Date</p>	
	<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>	

