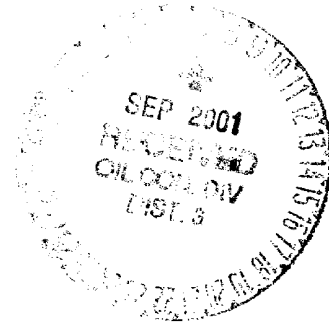




P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

August 31, 2001

Mr. David Catanach
Oil Conservation Department
Energy and Minerals Department
P.O. Box 6429
Santa Fe, New Mexico 87505-6429



**RE: Jicarilla Apache Well No. 11
Unit Letter M, 1040' FSL & 800' FWL
Section 28, T-26-N, R-5-W
Rio Arriba County, New Mexico**

**Request Change to DHC #2717
Blanco Mesaverde (Prorated gas - 72319)
Otero Chacra (Gas - 82329)**

**Request Change to MC #1759
South Blanco Pictured Cliffs (Prorated gas - 72439)
Blanco Mesaverde & Otero Chacra**

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval to change the production allocation on the DHC #2717 permit in the above subject well in Rio Arriba County, New Mexico. The pools to be down-hole commingled are Otero Chacra and the Blanco Mesaverde. This well will continue to be a dual completion but with the South Blanco Pictured Cliffs (Prorate gas - 72439) produced separately from the Chacra, Mesaverde.

Jicarilla Apache Well No. 11 was drilled and completed as a dual Dakota and Pictured Cliffs producer in 1967 (MC-1759). In September 2000, the Dakota perforations were abandon after an unsuccessful attempt to retrieve the packer. A 4-1/2" casing string was ran inside the 7-5/8" casing to isolate the Pictured Cliffs perforations. The Mesaverde and Chacra were then perforated, stimulated and tested. This well is now producing from the Pictured Cliffs up the casing casing annulus and the Chacra, Mesaverde up the tubing.

In April 2000, we received the DHC #2717 to Down-Hole Commingle the Dakota, Mesaverde, Chacra and Pictured Cliffs. After the work over we re-filed and received an amended order to Down-Hole Commingle the Mesaverde and Chacra, but Marathon did not allocate any oil production. A letter was sent by Marathon to allocate the oil production but had all four pools listed. We received approval for the oil allocation in March 2001 with all four pools showing up with gas allocations.

The down-hole commingle allocations are listed on the attachment. Enclosed is data supporting the change in pool production allocation for the down-hole commingling on Jicarilla Apache Well No. 11. If additional information is necessary or you have any questions, please contact me at (915) 687-8450.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

Enclosure

Jicarilla Apache Well No. 11
Jicarilla Field

A: Operator

Marathon Oil Company
P.O. Box 2490
Hobbs, New Mexico 88241

B: Lease Name and Well Number

Jicarilla Apache Well No. 11
Unit Letter M, 1040' FSL & 800' FWL
Section 28, T-26-N, R-5-W
Rio Arriba County, New Mexico
Mesaverde, Chacra Pools

C: C-116's

Attached

D: Production Decline Curves

Decline Curve is Attached

E: Production Allocation

<u>POOL</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Methods</u>
Chacra	0	565	24	Workover Test
Chacra	0	261	0	Post-Workover Model with high casing pressure (only modeled gas)

<u>POOL</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Methods</u>
Chacra & Mesaverde	18	595	30	Post Workover test
Chacra	0	261	11	Post Workover Model
Mesaverde	18	334	19	(estimated water)

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
Chacra	0	56	37
Mesaverde	100	44	63
Total	100	100	100

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-116
Revised March 17, 1999

Submit 2 copies
To Appropriate
District Office

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Chacara		County Rio Arriba										
Address PO Box 2490 Hobbs, NM 88240		TYPE OF TEST - (X)												
LEASE NAME Jicarilla Apache API 30-039-08149	WELL NO. 11	LOCATION			DATE OF TEST 9/13/01	TBG. PRESS 135	DAILY ALLOW-ABLE	SCHEDULED LENGTH OF TEST HOURS 8	Completion ☒ X			Special ☐		
		U	S	T					R	PROD. DURING TEST	WATER BBLs.		GRAV. OIL	OIL BBLs.
		M	28	26	5	9/13/01				24		0	565	N/A

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.
(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature

Kelly Cook

Printed Name and Title

Kelly Cook Admin. Assistant

Date

August 31, 2001

393-7106

Telephone No.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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State of New Mexico
Energy Minerals and Natural Resources

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1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-116
Revised March 17, 1999

Submit 2 copies
To Appropriate
District Office

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Chacra and Mesa Verde		County Rio Arriba										
Address PO Box 2490 Hobbs, NM 88240		TYPE OF TEST - (X)												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS	DAILY ALLOW-ABLE	SCHEDULED LENGTH OF TEST HOURS	Completion ☒ X			Special ☐	
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.
Jicarilla Apache API 30-039-08149	11	M	28	26	5	9/26/00	* 281	195		24	30	18	595	33,056
						12/13/00	* 181	110		24	0	6	304	50,667
						7/12/01	* 93	40		24	0	0	242	N/A

FOR INFORMATION ONLY

* = Plunger Lift

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

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Signature

Kelly Cook

Printed Name and Title

Kelly Cook Admin. Assistant

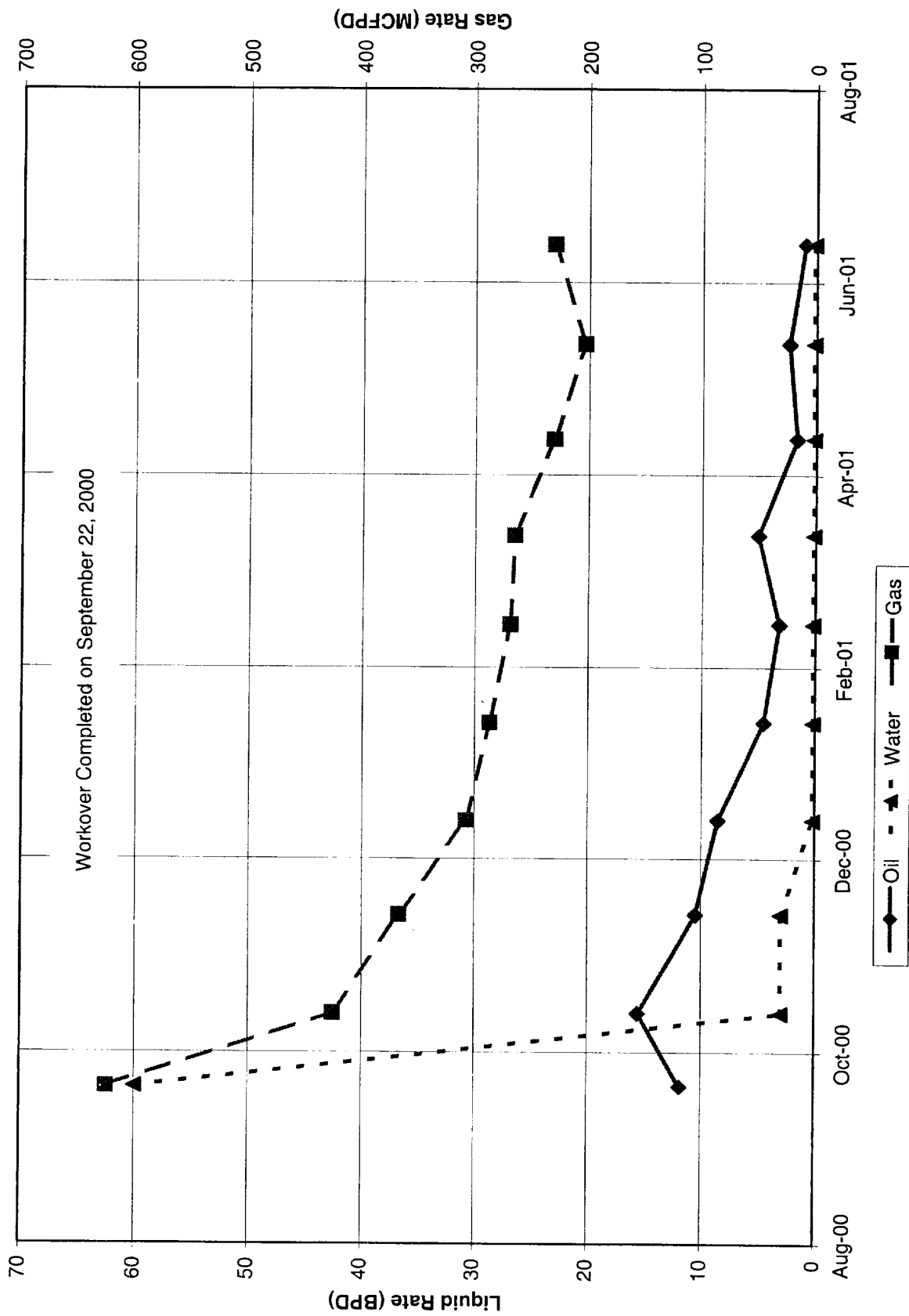
Date

August 31, 2001

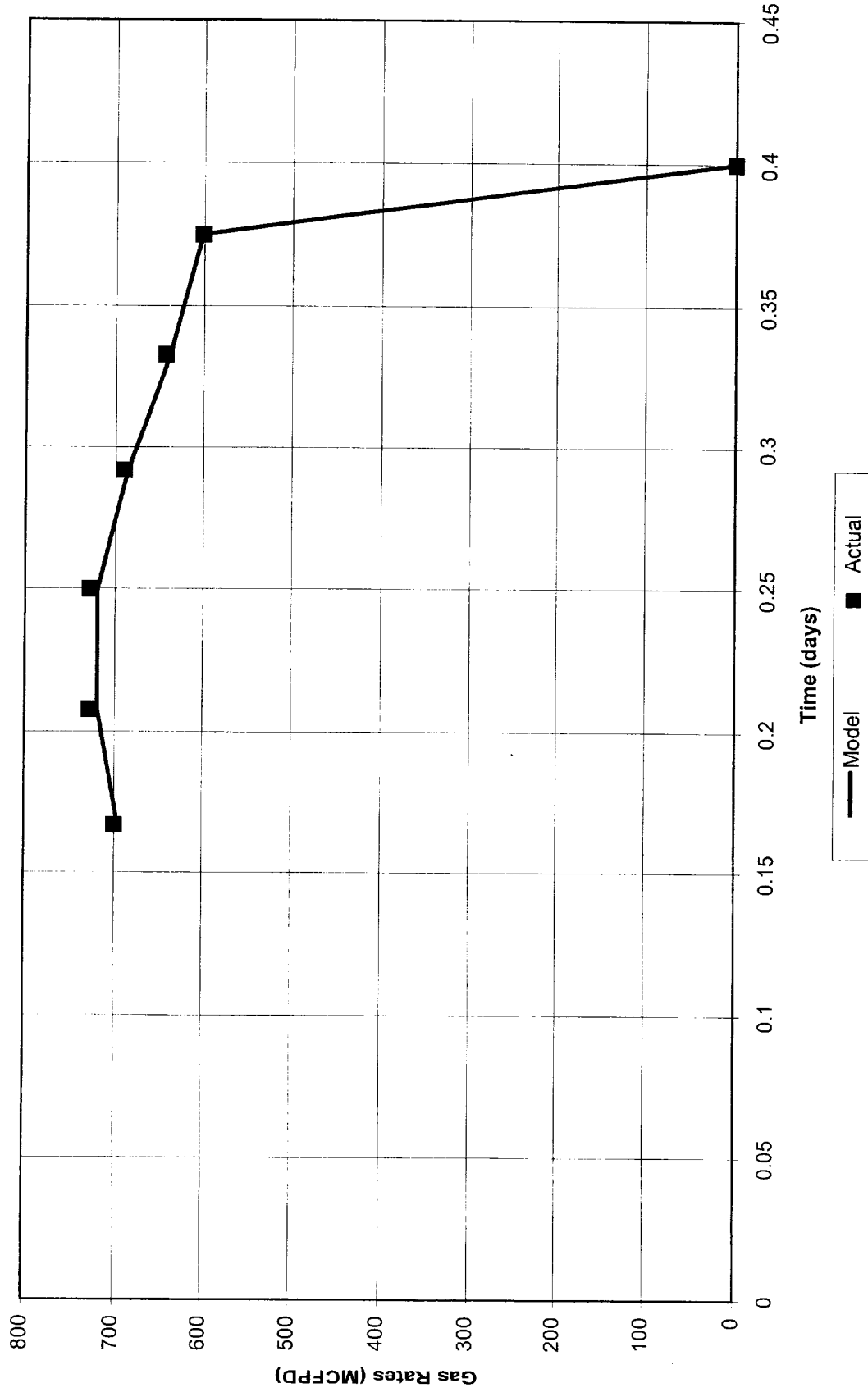
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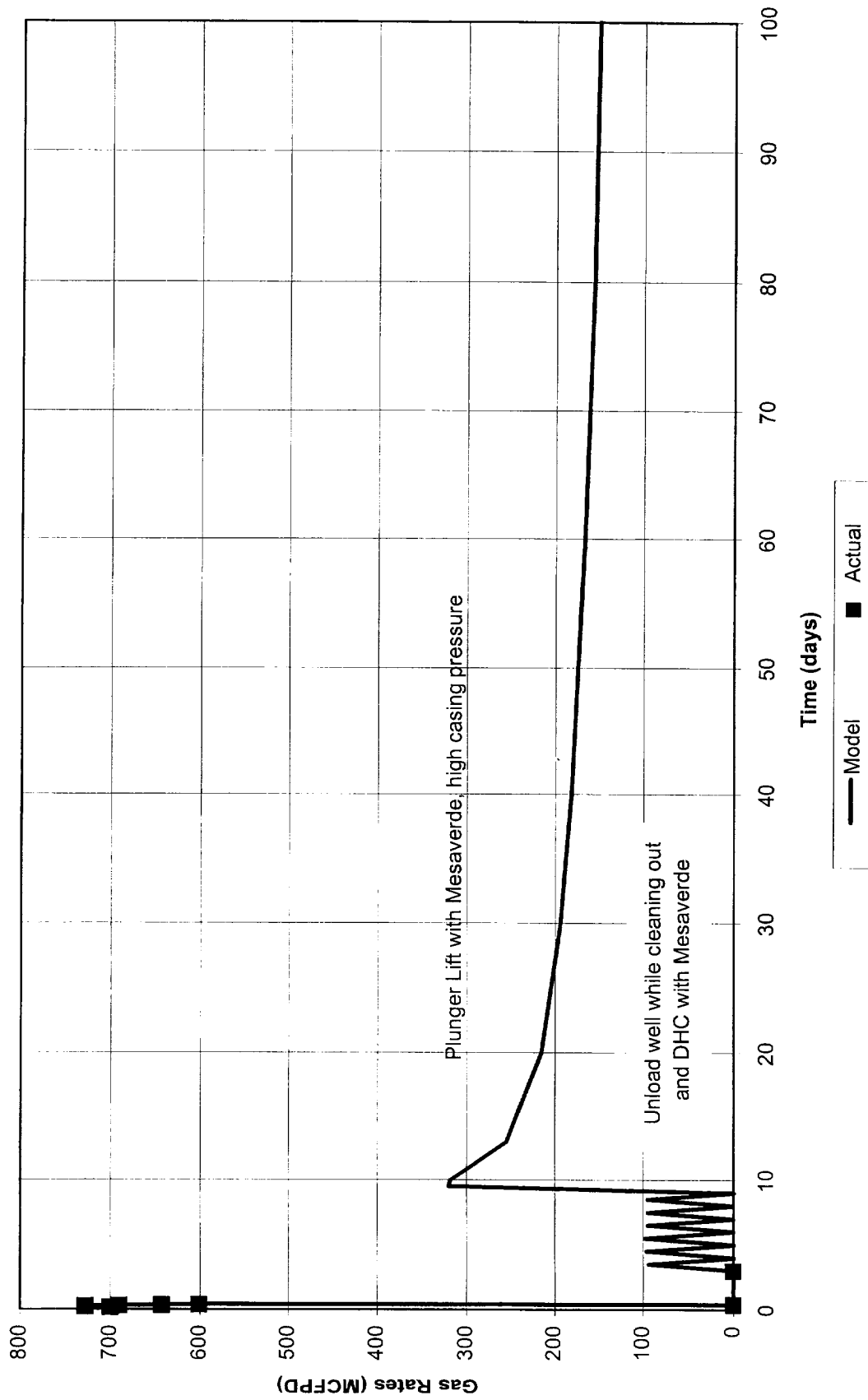
Jicarilla Apache Well No 11 Chacra & Mesaverde



Jicarilla Apache #11
Chacra Model



Jicarilla Apache #11 Chacra Model





MARATHON OIL COMPANY
MID-CONTINENT REGION
MIDLAND OPERATIONS NORTHWEST NEW MEXICO

AFTER WORKOVER

DATE: 08/24/99

BY: TL CHASE

Rev 8-4-00 MDB

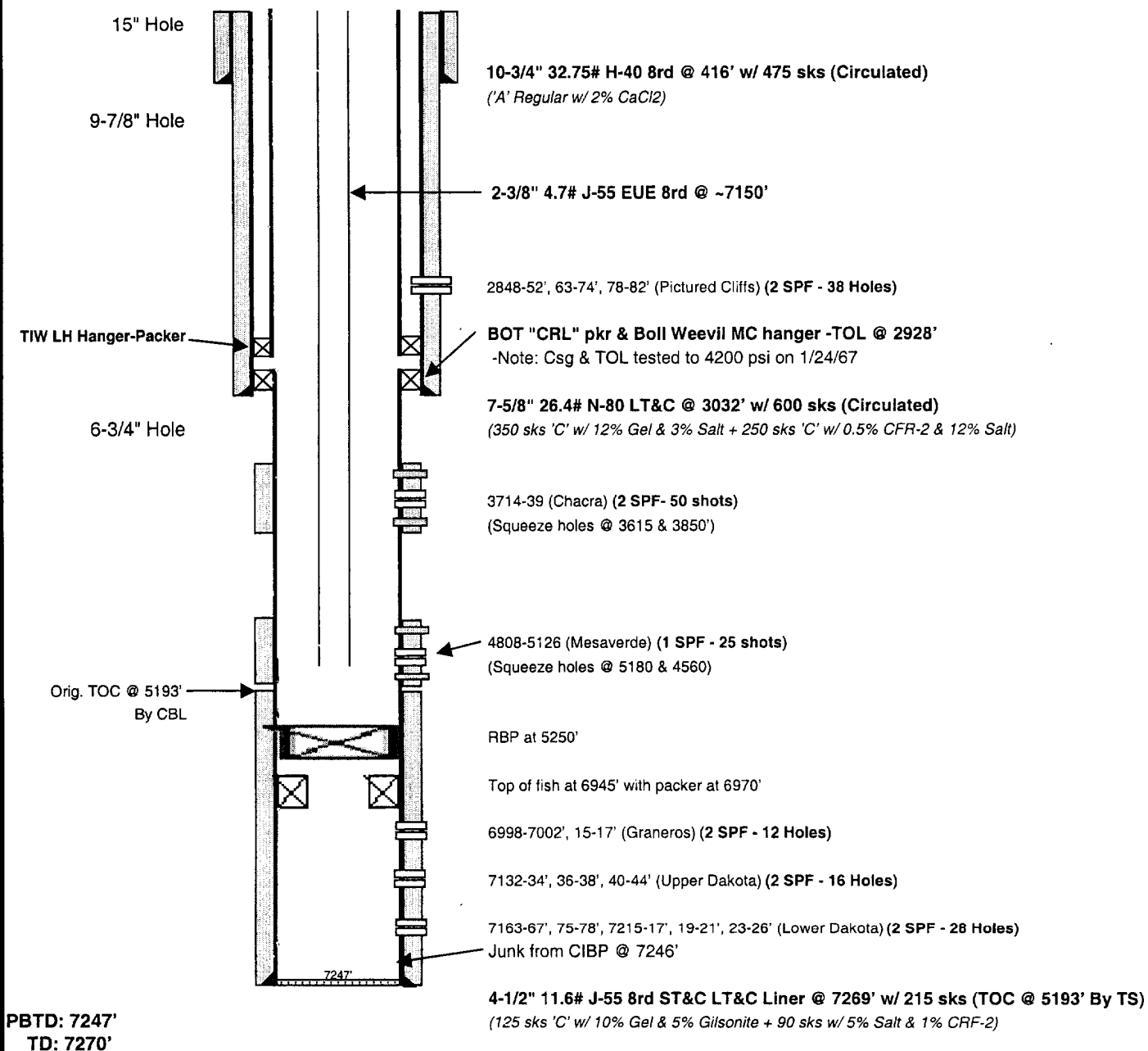
FIELD: JICARILLA
LEASE: JICARILLA APACHE
COUNTY: RIO ARRIBA

WELL: 11
STATE: New Mexico

API: 30-039-08149
SPUD DATE: 01/09/67
LOCATION: 1040' FSL & 800' FWL, SEC 28, T26N, R 5W, U L "M"

REACHED TD: 01/19/67
COMPLETED: 02/01/67

GL = 6465'
KB = 6478'



Well History

Jan '67

Perf'd Lower Dakota (2 SPF) @ 7163-67', 75-78', 7215-17', 19-21', 23-26'. Acidized w/ 500 gal 15% MCA & 1500 gal 7-1/2% HCl acid. Frac'd w/ 20,000 gal 1% KCl water w/ 60,000# 20-40 sand. Perf'd Graneros (2 SPF) @ 6998-7002', 7015-17' & Upper Dakota (2 SPF) @ 7132-34', 36-38', 40-44'. Acidized Graneros/Upper Dakota 6998-7144' w/ 1000 gal MCA. Frac'd w/ 20,580 gal 1% KCl water w/ 50,000# 20-40 sand. Perf'd Pictured Cliffs (2 SPF) @ 2848-52', 63-74', 78-82'. Frac'd w/ 12,180 gal 1% KCl water w/ 50,000# 10-20 sand.