

OIL CONSERVATION DIVISION  
RECEIVED

*RELEASE 2.1.93*  
Houston Division  
Production Operations, United States



**Marathon  
Oil Company**

'90 JAN 10 AM 8 51

P.O. Box 2409  
Hobbs, New Mexico 88240  
Telephone 505/393-7106

December 21, 1992

Mr. David Catanach  
Energy and Mineral Department  
Oil Conservation Division  
PO Box 2088  
Santa Fe, NM 87501

RE: Request for Exception to Rule 303-A  
Downhole Commingling  
Marathon Oil Company  
J.L. Muncy Well No. 5  
Unit P, 990' FEL & 990' FSL  
Section 24, T-22-S, R-37-E  
Blinebry Oil & Drinkard Granite Wash  
Drinkard Field  
Lea County, New Mexico

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of production in the above subject well from the Blinebry Oil and Drinkard - Granite Wash Pools in Lea County, New Mexico.

Currently, the well is dual completed with the Blinebry producing by plunger lift and the Drinkard by rod pump. Allowing the commingling of the two zones, both the Blinebry and Drinkard can be rod pumped, thus allowing for a more efficient lift system and therefore extending the life of the well and minimizing any associated waste.

Enclosed is pertinent data supporting this application as outlined in rule 303-C. If additional information is necessary, please contact me at (505) 393-7106.

Sincerely,

A handwritten signature in cursive script, appearing to read 'S.P. Guidry'.

S.P. Guidry  
Northwest Operations  
Area Superintendent

SPG:RDG/9242/dw

xc: R.W. Tracy

REQUEST FOR EXCEPTION TO RULE 303-C  
J.L. MUNCY WELL NO. 5  
DRINKARD FIELD

- (a) Marathon Oil Company  
PO Box 2409  
Hobbs, New Mexico 88240
- (b) J.L. Muncy Well No. 5  
Unit P, 990' FEL and 990' FSL  
Section 24, T-22-S, R-37-E  
Lea County, New Mexico  
Commingled Zones: Blinebry Oil and  
Drinkard - Granite Wash
- (c) Plats (2) of area are attached showing the dedicated acreage and offset operations.
- (d) The Form C-116 for the Blinebry Oil and Drinkard - Granite Wash are attached. The allocated production for each pool will be based upon the current production declines and the latest GOR tests.
- (e) Production curves for both the Blinebry Oil and Drinkard - Granite Wash are attached.
- (f) Estimated bottom hole pressure for each zone:  
Blinebry Oil - 400 psi  
Drinkard - Granite Wash - 500 psi
- (g) Marathon has commingled these fluids at the surface and has encountered no incompatibility problems.
- (h) If the downhole commingling is approved, the artificial lift system will extend the economic life of the well and thus avoid waste. The value of the produced hydrocarbons will not be altered by commingling the production as the oil and gas of each zone is currently surface commingled.
- (i) Production from the latest GOR test shows as follows:

<u>Name</u>	<u>Oil (BOPD)</u>	<u>GAS (MCFD)</u>	<u>Water (BWPD)</u>
Blinebry Oil	5	140	1
Drinkard-Granite Wash	3	60	0
Total	8	200	1

Allocated percentages should be:

<u>Name</u>	<u>Oil (%)</u>	<u>Gas (%)</u>	<u>Water (%)</u>
Blinebry Oil	63	70	100
Drinkard-Granite Wash	37	30	0

- (j) Ownership of the two pools to be commingled in common and correlative rights will not be violated.
- (k) By copy of this letter, we are notifying all offset operators of the proposed commingling by certified mail.

**OFFSET OPERATORS**

**J.L. MUNCY LEASE  
LEA COUNTY, NEW MEXICO**

Chevron Oil Company  
PO Box 670  
Hobbs, NM 88240

Hanson Operating company  
PO Box 1515  
Roswell, NM 88202-1515

Phillips Petroleum Company  
4001 Penbrook  
Odessa, TX 79762

John Hendrix  
525 Midland Tower  
Midland, TX 79701

Crown Central Petroleum  
Building K, Suite 200  
731 West Wadley  
Midland, TX 79701

ORYX ENERGY COMPANY  
P. O. BOX 2880  
DALLAS, TEXAS 75221-2880

RDG/9236/kc

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL API NO. 30-025-25361
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> <u>OTHER</u> Dual Oil Well	7. Lease Name or Unit Agreement Name J.L. Muncy
2. Name of Operator Marathon Oil Company	8. Well No. 5
3. Address of Operator P.O. Box 2409, Hobbs, NM 88240	9. Pool name or Wildcat Blinebry/Drinkard-Granite Wash
4. Well Location Unit Letter <u>P</u> : <u>990'</u> Feet From The <u>East</u> Line and <u>990'</u> Feet From The <u>South</u> Line Section <u>24</u> Township <u>22-S</u> Range <u>37-E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>3323' GR</u>	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
<b>NOTICE OF INTENTION TO:</b>	<b>SUBSEQUENT REPORT OF:</b>
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: Downhole Commingle <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Marathon Oil requests authorization to downhole commingle the Blinebry Oil & Drinkard- Granite Wash Pools.

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

SIGNATURE Rick Gaddis TITLE Production Engineer DATE 12-18-92  
TYPE OR PRINT NAME Rick Gaddis TELEPHONE NO. 505-393-7106

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

RDG- 11/30/92

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator Marathon Oil Company			Lease J.L. Muncy		Well No. 5
Unit Letter P	Section 24	Township 22-S	Range 37-E	County Lea	
Actual Footage Location of Well: 990' feet from the South line and 990' feet from the East line					
Ground level Elev. 3323'	Producing Formation Granite Wash		Pool Drinkard	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

Section 24

**OPERATOR CERTIFICATION**

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

Signature

Printed Name  
Rick Gaddis

Position  
Production Engineer

Company  
Marathon Oil Company

Date  
12-18-92

**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 knowledge and belief.

Date Surveyed

Signature & Seal of  
Professional Surveyor

Certificate No.

5 990'

990'

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

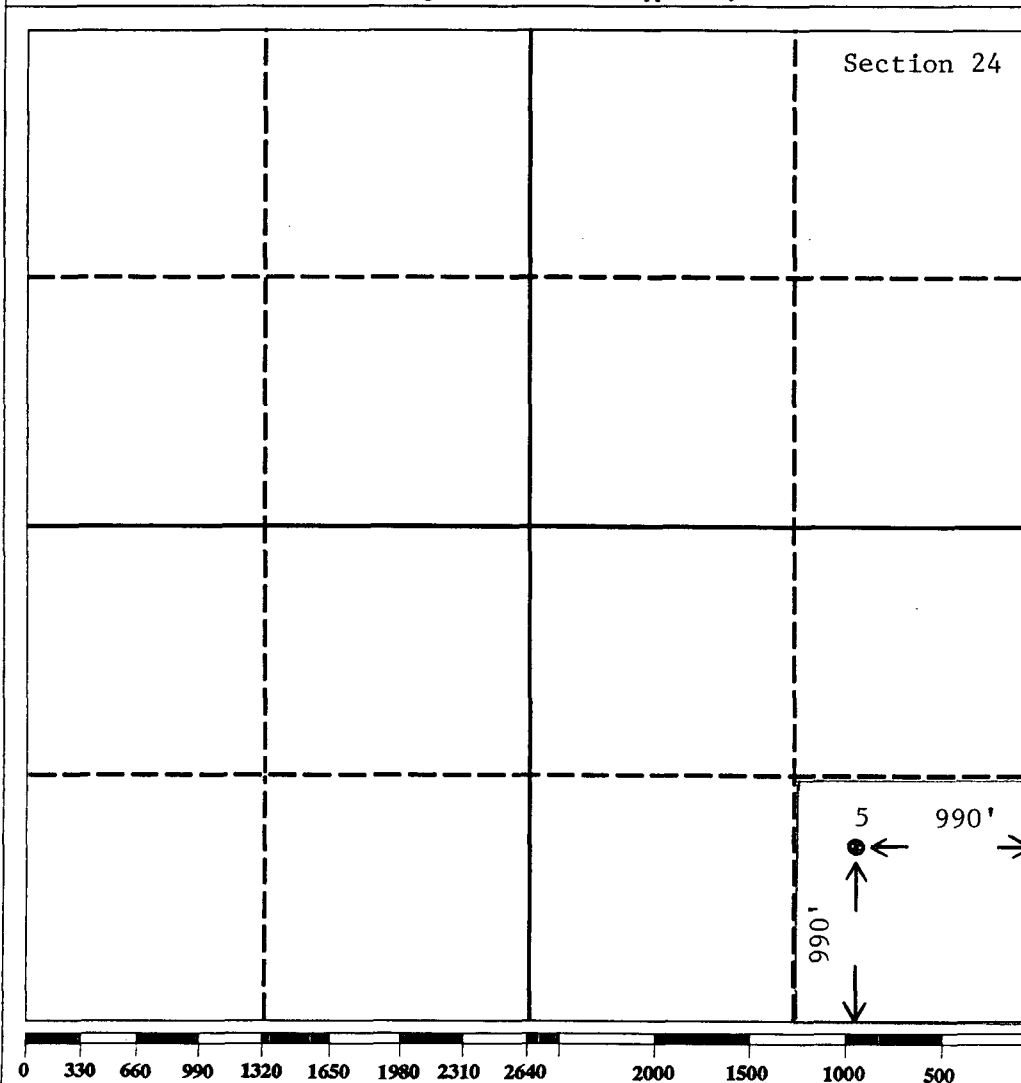
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator Marathon Oil Company		Lease J.L. Muncy		Well No. 5
Unit Letter P	Section 24	Township 22-S	Range 37-E NMPM	County Lea
Actual Footage Location of Well: 990' feet from the East line and 990' feet from the South line				
Ground level Elev. 3323'	Producing Formation Blinebry	Pool Blinebry Oil	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

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

Signature  
*Rick Gaddis*  
Printed Name  
Rick Gaddis  
Position  
Production Engineer  
Company  
Marathon Oil Company  
Date  
12-18-92

**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 knowledge and belief.

Date Surveyed  
Signature & Seal of Professional Surveyor  
Certificate No.

Submit 2 copies to Appropriate District Office.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-116  
Revised 1/1/89

OIL CONSERVATION DIVISION

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Drinkard - Granite Wash		County Lea												
Address P.O. Box 2409, Hobbs, NM 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.		
		U	S	T							R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.	GAS M.C.F.
J.L. Muncy	5	P	24	22	37	10-14-92	P	N/A	50	(oil)	24	0	--	3	60	20,000

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.

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

Signature

Rick Gaddis, Production Engineer

Printed name and title

12-18-92

505-393-7106

Date

Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)



Submit 2 copies to Appropriate District Office.

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-116  
Revised 1/1/89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

## OIL CONSERVATION DIVISION

### GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Blinebry Oil		County Lea												
Address P.O. Box 2409, Hobbs, NM 88240		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	SIZE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.		
		U	S	T							R	WATER BBL.S.	GRAV. OIL BBL.S.		GAS M.C.F.	
J.L. Muncy	5	P	24	22	37	11-8-92	P*	N/A	100 psi	--	24	1	--	5	140	28,000
* 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.

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

Rick Gaddis, Production Engineer

Printed name and title

12-18-92 505-393-7106

Date

Telephone No.

FIELD - DRINKARD  
 RESERVOIR - GRANITE WASH  
 LEASE - MUNCY J L  
 WELL - J. L. MUNCY-NO. 5

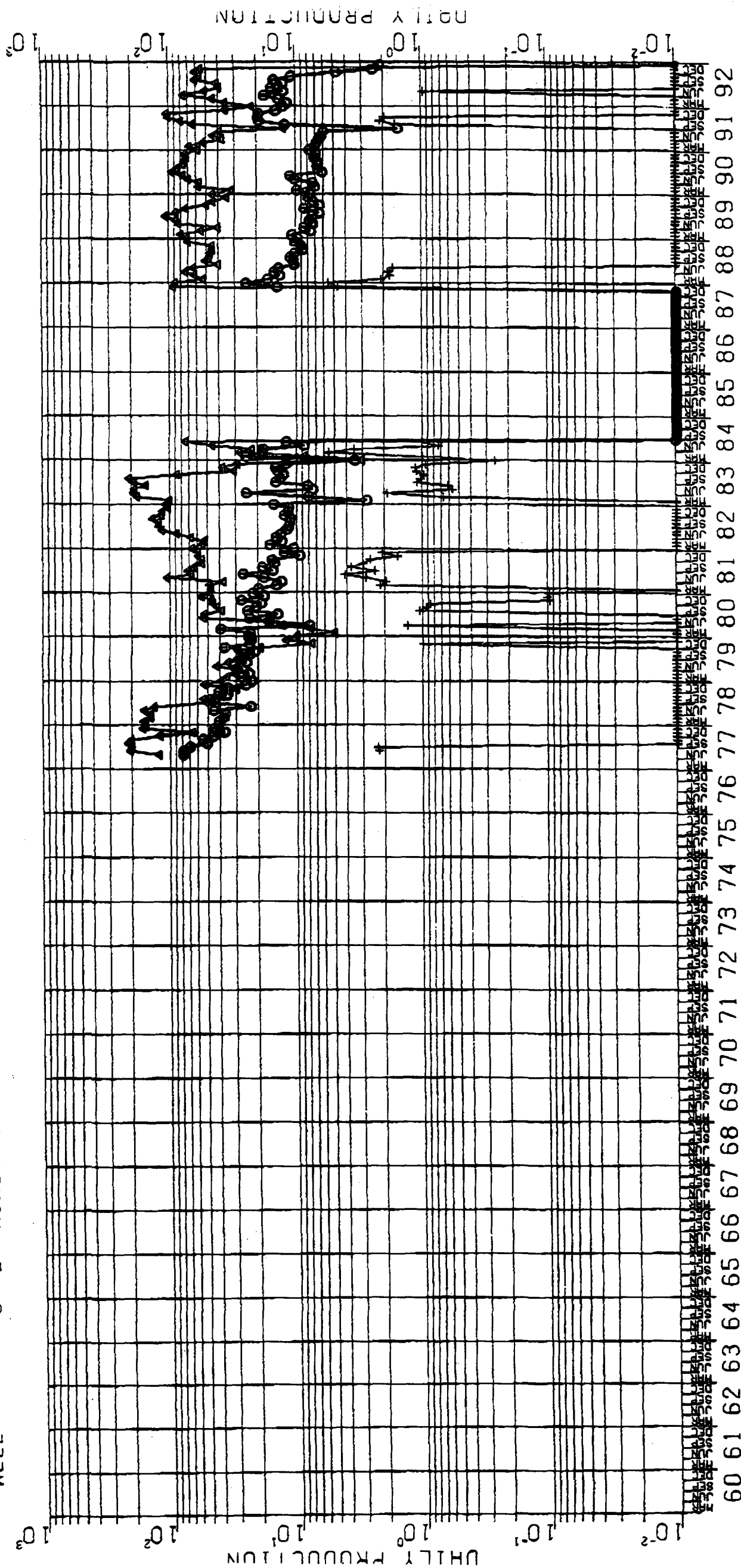
P.03

HOBBS

TO

MDC MIDLAND - 3 EAST

DEC-18-1992 11:00 FROM



O+C CALENDAR DLY AVG —●—  
 GAS CALENDAR DLY AVG —▲—  
 WTR CALENDAR DLY AVG —+—

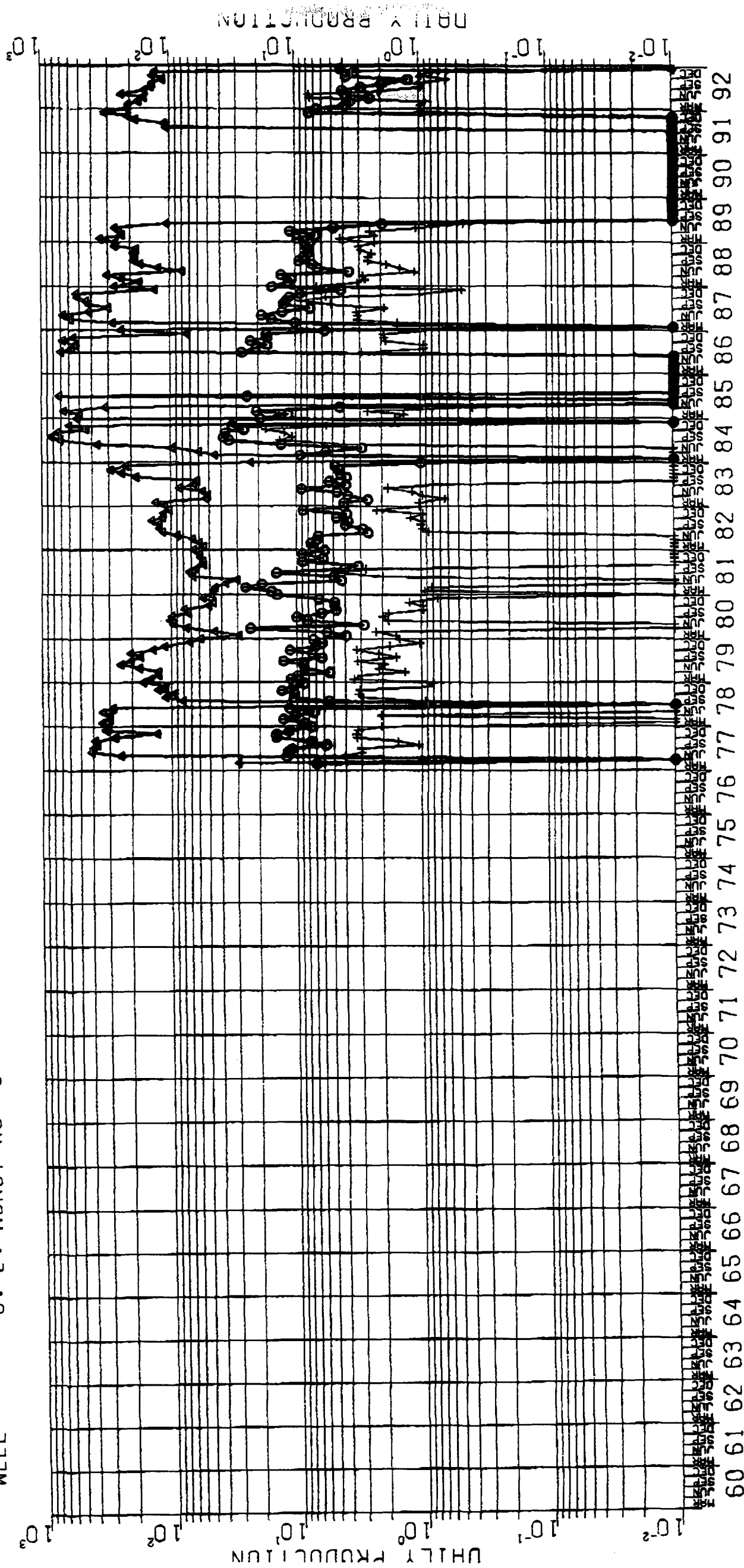
10-27-91

10-17-00

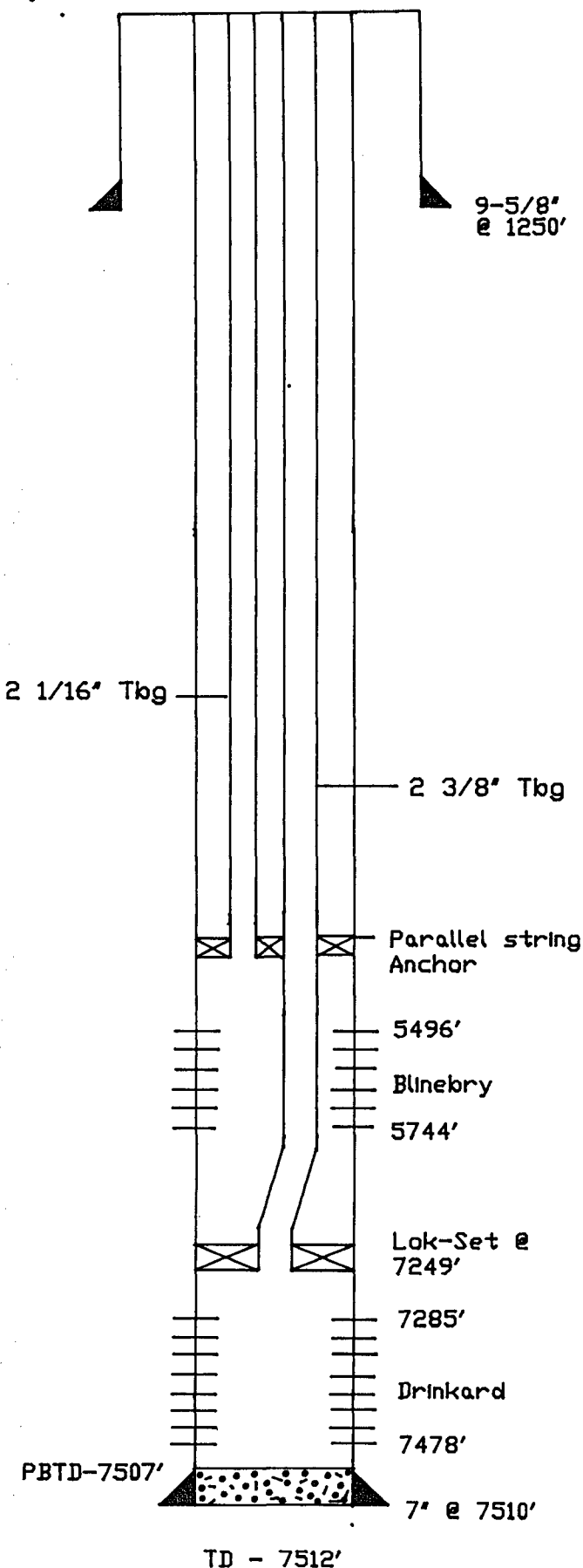
10-27-91

FIELD - DRINKARD  
 RESERVOIR - BLINEBRY  
 LEASE - MUNCY J L  
 WELL - J. L. MUNCY-NO. 5

DEC-18-1992 11:03 FROM MDC MIDLAND - 3 EAST TO HOBBBS P.05



OIL CALENDAR DLY AVG  
 GAS CALENDAR DLY AVG  
 WTR CALENDAR DLY AVG



## DRINKARD FIELD

J. L. MUNCY WELL No. 5  
 990' FSL & 990' FEL  
 SECTION 24, T-22S, R-37E  
 LEA COUNTY, NEW MEXICO  
 STATUS: DUAL OIL WELL  
 KB: 3337' GL: 3323'  
 TD: 7512' PBD: 7507'

SURFACE: 9-5/8", 32#/ft, H-40, set at  
 1250'. Cmt'd w/ 675 sxs. Cird to  
 surface.

PRODUCTION: 7", 23 & 26/ft, K-55 & N-80,  
 set at 7510'. DV-Tool at 3996'.  
 Cement circ'd to surface.

### TUBING:

Short String: 2-1/16". 3.25#/ft, 10rd,  
 N-80, IJ to 5610'.

Long String: 2-3/8", 4.7#, J-55, EUE  
 to 7241' w/ on-off  
 tool & Baker Lok-Set  
 @ 7249'.

RODS: 78-7/8", 199-3/4", 10-7/8" and a  
 2"x1-1/4"x16' pump.

### PRESENT COMPLETION:

Blinebry:	5496-5744'
Drinkard:	7285-7478'