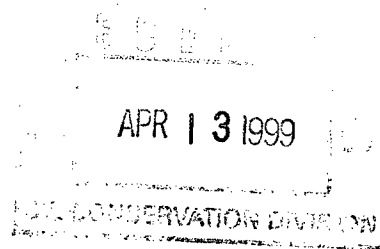




P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

April 7, 1999

Mr. David Catanach
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501-2088



Re: Request for Exception to Rule 303-A
Downhole Commingling
McCallister St. No. 11
UL "K", 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Blinebry, Abo, Wolfcamp and Upper Penn Pools
Vacuum 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 Vacuum Blinebry, Vacuum, Abo; and Vacuum, Wolfcamp; Vacuum, Upper Penn pools.

The Abo, Wolfcamp and Upper Penn zones are currently commingled (DHC-120), and are reaching the producible economic limit. For this reason, Marathon is requesting to downhole commingle the Abo, Wolfcamp, Upper Penn and Blinebry to maximize the economical production from the well. Rod pumping equipment will be utilized to keep the PBHP as low as possible to prevent crossflow.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Andrew J. Schwandt'.

Andrew J. Schwandt
Production Engineer
(505) 393-7106

n:/reglatory/comming/dhc/coverpag/MCAL11_B
Enclosure



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

April 7, 1999

Mr. Chris Williams
District I Supervisor
Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88240

Re: Request for Exception to Rule 303-A
Downhole Commingling
McCallister St. No. 11
UL "K", 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Blinbry, Abo, Wolfcamp and Upper Penn Pools
Vacuum Field
Lea County, New Mexico

Dear Mr. Williams:

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 Vacuum Blinbry, Vacuum, Abo; and Vacuum, Wolfcamp; Vacuum, Upper Penn pools.

The Abo, Wolfcamp and Upper Penn zones are currently commingled (DHC-120), and are reaching the producible economic limit. For this reason, Marathon is requesting to downhole commingle the Abo, Wolfcamp, Upper Penn and Blinbry to maximize the economical production from the well. Rod pumping equipment will be utilized to keep the PBHP as low as possible to prevent crossflow.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Andrew J. Schwandt'.

Andrew J. Schwandt
Production Engineer
(505) 393-7106

n:/regitory/commiling/dhc/coverpag/MCAL11_C
Enclosure



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

April 7, 1999

Mr. Pete Martinez
Commissioner of Public Lands
State Land Office Building
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Request for Exception to Rule 303-A
Downhole Commingling
McCallister St. No. 11
UL "K", 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Blinebry, Abo, Wolfcamp and Upper Penn Pools
Vacuum Field
Lea County, New Mexico

Dear Mr. Martinez:

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 Vacuum Blinebry, Vacuum, Abo; and Vacuum, Wolfcamp; Vacuum, Upper Penn pools.

The Abo, Wolfcamp and Upper Penn zones are currently commingled (DHC-120), and are reaching the producible economic limit. For this reason, Marathon is requesting to downhole commingle the Abo, Wolfcamp, Upper Penn and Blinebry to maximize the economical production from the well. Rod pumping equipment will be utilized to keep the PBHP as low as possible to prevent crossflow.

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Sincerely,

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Andrew J. Schwandt
Production Engineer
(505) 393-7106

n:/reglatory/comming/dhc/coverpag/MCAL11_A
Enclosure

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

April 7, 1999

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705

Re: Request for Exception to Rule 303-A
Downhole Commingling
McCallister St. No. 11
UL "K", 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Abo, Wolfcamp, Upper Penn and Blinbry Pools
Vacuum Field
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to downhole commingle the above referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Andrew J. Schwandt'.

Andrew J. Schwandt
Production Engineer

n:\regitory\comming\dhc\wio\mcall1_a
Enclosure

Agreed and accepted this _____ day of _____ 1998

by _____, as representative of

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

April 7, 1999

Texaco Exploration and Producing Inc.
Heritage Center, Midland, TX 79701
P.O. Box 3109, Midland, TX 79702-3109

Re: Request for Exception to Rule 303-A
Downhole Commingling
McCallister St. No. 11
UL "K", 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Abo, Wolfcamp, Upper Penn and Blinbry Pools
Vacuum Field
Lea County, New Mexico

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If you are in agreement and waive all objections to the downhole commingling, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Andrew J. Schwandt'.

Andrew J. Schwandt
Production Engineer

n:\regitory\comming\dhc\wio\mcall1_c
Enclosure

Agreed and accepted this _____ day of _____ 1998

by _____, as representative of

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

April 7, 1999

Mobil Exploration and Producing U.S. Inc.
500 W. Illinois, Midland, TX 79701
P.O. Box 633, Midland, TX 79702-0633

Re: Request for Exception to Rule 303-A
Downhole Commingling
McCallister St. No. 11
UL "K", 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Abo, Wolfcamp, Upper Penn and Blinbry Pools
Vacuum Field
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to downhole commingle the above referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

A handwritten signature in cursive script, appearing to read 'A. J. Schwandt'.

Andrew J. Schwandt
Production Engineer

n:\reglory\comming\dlc\wio\mc111_b
Enclosure

Agreed and accepted this _____ day of _____ 1998

by _____, as representative of

REQUEST FOR EXCEPTION TO RULE 303-A
McCallister St. No. 11
Vacuum Field

A: Operator

Marathon Oil Company
P.O. Box 2409
Hobbs, NM 88241-2409

B: Lease Name and Well Number

McCallister St. No. 11
UL K 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Lea Co., New Mexico
Vacuum: Abo, Wolfcamp, Upper Penn and Blinebry Pools

C: Plats and Offset Operators

Attached

D: Form C-116

Attached

E: Production Decline Curves

Attached

F: Estimated Bottomhole Pressures

Vacuum (Blinebry) - ± 500 psi
Vacuum (Abo) - ± 500 psi
Vacuum (Wolfcamp) - ± 500 psi
Vacuum (Upper Penn) - ± 500 psi

G: Fluid Characteristics

Marathon has downhole commingled the produced fluids from the Abo, Wolfcamp and Upper Penn zones in McCallister State No. 12 and downhole commingled the produced fluids from the Abo, Wolfcamp and Blinebry zones in the McCallister State No. 5. These wells are produced to the same battery without compatibility problems. The addition of the Blinebry production in the McCallister State No. 11 will not cause any compatibility problems.

H: Value

Marathon receives the same price for the products from each zone and value will not be adversely affected.

Request for Exemption to Rule 303-A
McCallister St. No. 11
Page 2

I: Production Allocation

<u>Pool</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>BWPD</u>	<u>Estimate Method</u>
Vacuum (Blinbry)	21	27	38	Post-work incremental production
Vacuum (Abo)	9	24	10	Pre-work allocated production
Vacuum (Wolfcamp)	12	27	2	Pre-work allocated production
Vacuum (Upper Penn)	<u>5</u>	<u>6</u>	<u>29</u>	Pre-work allocated production
	47	84	79	Well test on 3/20/99

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
------------------------------	--------------	--------------	----------------

Pre-workover Administrative Order No. DHC-120

Vacuum (Abo)	33%	43%	24%
Vacuum (Wolfcamp)	48%	47%	5%
Vacuum (Upper Penn)	19%	10%	71%

Post-workover utilizing above production

Vacuum (Blinbry)	44.7%	32.1%	48.1%
Vacuum (Abo)	19.2%	28.6%	12.7%
Vacuum (Wolfcamp)	25.5%	32.1%	2.5%
Vacuum (Upper Penn)	<u>10.6%</u>	<u>7.2%</u>	<u>36.7%</u>
Total	100	100	100

J: Ownership

Ownership of all zones is common and correlative rights will not be violated.

K: Offset Operator Notification

By copy of this letter we are notifying all offset operators (attached) of the proposed commingling, by certified mail.

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1994

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
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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 30-25-32647		² Pool Code 61850		³ Pool Name Vacuum; Blinebry	
⁴ Property Code 6431		⁵ Property Name McCallister State			⁶ Well Number 11
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation GL 4008 KB 4026

¹⁰ Surface Location									
UL or lot no. K	Section 25	Township 17S	Range 34E	Lot. Idn	Feet from the 1945	North/South Line South	Feet from the 850	East/West line West	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 40 ¹³ Joint or Infill ¹⁴ Consolidation Code ¹⁵ Order No.									

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>160 Acre Lease</p> <p>40 Acres Dedicated</p> <p>2134'</p> <p>1927'</p>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Andrew J. Schwandt Printed Name Production Engineer Title 1-5-99 Date
	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. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

Instructions on back

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OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32647		² Pool Code 62320		³ Pool Name Vacuum - U. Penn	
⁴ Property Code 6431		⁵ Property Name McCallister State			⁶ Well Number 11
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 4013'

¹⁰ Surface Location									
UL or lot no. K	Section 25	Township 17S	Range 34E	Lot. Idn	Feet from the 1927'	North/South Line South	Feet from the 2134'	East/West line West	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 80		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Andrew J. Schwandt</i></p> <p>Signature Andrew J. Schwandt Printed Name Production Engineer Title 1-5-99 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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 Signature and Seal of Professional Surveyer: Certificate Number</p>

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

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OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32647		² Pool Code 62340		³ Pool Name Vacuum - Wolfcamp	
⁴ Property Code 6431		⁵ Property Name McCallister State			⁶ Well Number 11
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 4013'

¹⁰ Surface Location									
UL or lot no. K	Section 25	Township 17S	Range 34E	Lot. Idn	Feet from the 1927'	North/South Line South	Feet from the 2134'	East/West line West	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 80 ¹³ Joint or Infill ¹⁴ Consolidation Code ¹⁵ Order No.									

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

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
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Instructions on back
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32647		² Pool Code 61760		³ Pool Name Vacuum - Abo	
⁴ Property Code 6431		⁵ Property Name McCallister State			⁶ Well Number 11
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 4013'

¹⁰ Surface Location									
UL or lot no. K	Section 25	Township 17S	Range 34E	Lot. Idn	Feet from the 1927'	North/South Line South	Feet from the 2134'	East/West line West	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 80									
¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.					

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	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

**Marathon Oil Company
McCallister St. No. 11
UL "K", 1927' FSL & 2134' FWL
Sec. 25, T-17-S, R-34-E
Vacuum Field
Lea County, New Mexico**

Offset Operators and Addresses

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705

Mobil Exploration and Producing U.S. Inc.
500 W. Illinois, Midland, TX 79701
P.O. Box 633, Midland, TX 79702-0633

Texaco Exploration and Producing Inc.
Heritage Center, Midland, TX 79701
P.O. Box 3109, Midland, TX 79702-3109

GAS - OIL RATIO TEST

Operator		Pool		County									
Marathon Oil Company		Vacuum; Blinbry, Abo, Wolfcamp, Upper Penn		Lea									
Address		TYPE OF TEST - (X)		Completion									
P.O. Box 2490 Hobbs, NM 88240		Scheduled <input type="checkbox"/>		Special <input checked="" type="checkbox"/>									
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS-OIL RATIO CU.FT./BBL
		U	S	T						R	WATER BBLs.	GRAV. OIL	
McCallister State	11	K	25	17S	34E	3/20/99	P		24	79	47	84	
DHC Application													
Zone Oil Gas Wtr													
Blinbry 44.7 32.1 48.1										38	21	27	1286
Abo 19.2 28.6 12.7										10	9	24	2667
Wolfcamp 25.5 32.1 2.5										2	12	27	2250
Up.Penn 10.6 7.2 36.7										29	5	6	1200
FOR INFORMATION ONLY													

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

Andrew J. Schwandt Production Engineer

Printed name and title

Apr 11 7, 1999

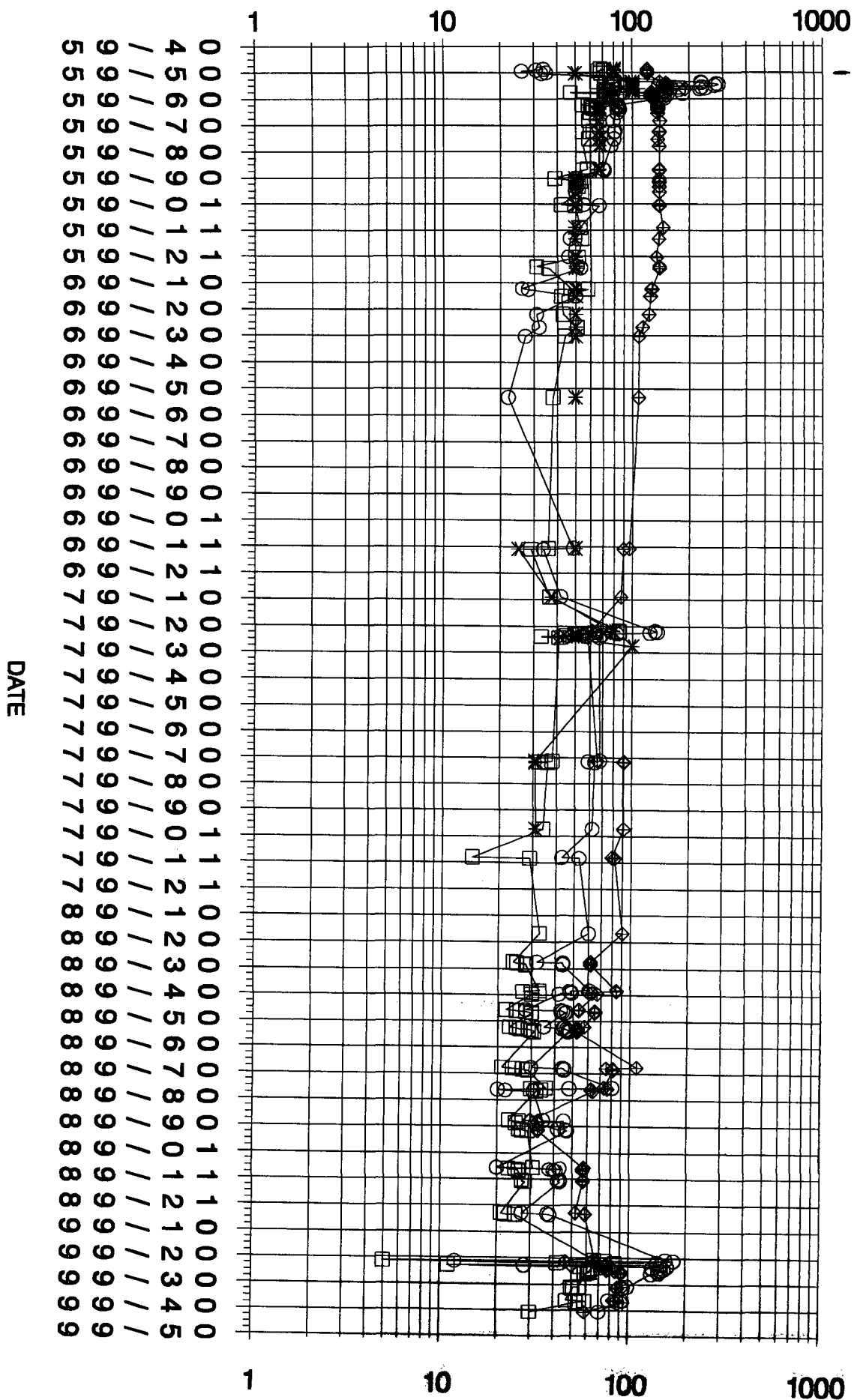
Date

393-7106





Telephone No.

MCCALLISTER STATE MCCALLISTER STATE - NO.11

WELL TEST PRODUCTION



WELL TEST PRODUCTION

 TEST OIL, BOPD	 TEST WTR, BWPD	 TEST GAS, MCFPD
 % RUN TIME		

DISTRICT I P.O. Box 1980, Hobbs, NM 88240 DISTRICT II 811 South First St., Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd, Aztec, NM 87410	State of New Mexico Energy, Minerals and Natural Resources Department OIL CONSERVATION DIVISION 2040 S. Pacheco Santa Fe, New Mexico 87505-6429	Form C-107-A New 3-12-96 APPROVAL PROCESS: <input checked="" type="checkbox"/> Administrative <input type="checkbox"/> Hearing EXISTING WELLBORE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
APPLICATION FOR DOWNHOLE COMMINGLING		

Operator <u>Marathon Oil Company</u>	Address <u>PO Box 2490 Hobbs, NM 88240</u>	
<u>McCallister State</u>	<u>11</u>	<u>UL K, Sec. 25, T-17S, R-34E</u>
County <u>Lea</u>	Well No. <u>11</u>	Unit Ltr. - Sec - Twp - Rge <u>UL K, Sec. 25, T-17S, R-34E</u>
Spacing Unit Lease Types: (check 1 or more)		
OGRID NO. <u>014021</u>	Property Code <u>6431</u>	API NO. <u>30-025-32647</u> Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> (and/or) Fee <input type="checkbox"/>

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code		Vacuum; Wolfcamp 62340	Vacuum; Upper Penn 62320
2. Top and Bottom of Pay Section (Perforations)		9273 - 9917'	10,044 - 10,082'
3. Type of production (Oil or Gas)		Oil	Oil
4. Method of Production (Flowing or Artificial Lift)			
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current)	a. 500	a. 500
	b. (Original)	b.	b.
6. Oil Gravity (°API) or Gas BTU Content		35	35
7. Producing or Shut-In?		Producing	Producing
Production Marginal? (yes or no)		Yes	Yes
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small> * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: Rates:	Date: 3/20/99 Rates: 12/27/2	Date: 3/20/99 Rates: 5/6/29
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: 25.5 % Gas: 32.1 %	Oil: 10.6 % Gas: 7.2 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☐ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No
15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). _____
16. ATTACHMENTS:
- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - * Production curve for each zone for at least one year. (If not available, attach explanation.)
 - * For zones with no production history, estimated production rates and supporting data.
 - * Data to support allocation method or formula.
 - * Notification list of all offset operators.
 - * Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Andrew J. Schwandt TITLE Production Eng. DATE 4/7/99

TYPE OR PRINT NAME Andrew J. Schwandt TELEPHONE NO. (505) 393-7106

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Marathon Oil Company Address PO Box 2490 Hobbs, NM 88240

County McCallister State Well No. 11 Unit Loc. - Sec - Twp - Rge UL K, Sec. 25, T-17S, R-34E Lea Lea

OGRID NO. 014021 Property Code 6431 API NO. 30-025-32647 Spacing Unit Lease Types: (check 1 or more)
Federal ☐ State ☒ (landlord) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Vacuum; Blinebry 61850	Vacuum; Abo 61760	
2. Top and Bottom of Pay Section (Perforations)	6412 - 6712'	8383 - 9252'	
3. Type of production (Oil or Gas)	Oil	Oil	
4. Method of Production (Flowing or Artificial Lift)			
5. Bottomhole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	500	500	
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (° API) or Gas BTU Content	38	38	
7. Producing or Shut-In?	Producing	Producing	
Production Marginal? (yes or no)	Yes	Yes	
* If Shut-in, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 3/20/99 Rates: 21/27/38	Date: 3/20/99 Rates: 9/24/10	Date: Rates:
B. Fixed Percentage Allocation Formula - % for each zone	Oil: 44.7 % Gas: 32.1 %	Oil: 19.2 % Gas: 28.6 %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☐ Yes ☐ No

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Andrew J. Schwandt TITLE Production Eng. DATE 4/7/99

TYPE OR PRINT NAME Andrew J. Schwandt TELEPHONE NO. (505) 393-7106