

DHC 7/17/00

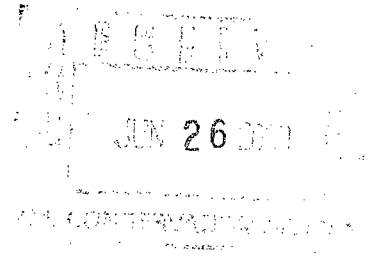
Mid-Continent Region
Production United States



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

June 22, 2000

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87501



Re: **Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 12
800' FNL & 800" FEL
Unit Letter "A", Section 33, T-26-N, R-5-W
Basin Dakota & Mesa Verde
Jicarilla Field
Rio Arriba 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 Basin Dakota and the Mesa Verde Point Lookout pools in Rio Arriba County, New Mexico. Marathon also requests a 30 day exception to Rule 303-A to permit the downhole commingling of production while awaiting for approval of this application. If this application is not approved, then the well will remain as a dual producer for the Mesa Verde and Basin Dakota pools.

These two pools represent marginal production. The well was drilled and completed in the Basin Dakota pool in late 1967. In early 1994, the Mesa Verde was perforated and stimulated. Plans are to perforate the Menefee and Chacra and downhole commingle all four pools.

By downhole commingling the production from these four zones, production will be realized that could not economically justify the cost of equipment to separate the zones. Rod pumping equipment will be utilized to keep the PBHP as low as possible. Producing the well in this manner will allow complete development of the productive capacity of the well, prevent crossflow and extend the economic life of both completions, thereby preventing waste.

Enclosed is pertinent data to support this application as outlined in Rule 303-A. If additional information is necessary, please contact me at 915/687-8357.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Jerry Fletcher'.

Jerry Fletcher
Engineering Technician

JF/dt
enclosure

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20002	² Pool Code 72319	³ Pool Name Mesa Verde MENEFE
⁴ Property Code 6414	⁵ Property Name JICARILLA APACHE	⁶ Well Number 12
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation G.L. 6541


¹⁰ Surface Location

UL or lot no. "A"	Section 33	Township 26N	Range 5W	Lot. Idn	Feet from the 800'	North/South Line NORTH	Feet from the 800'	East/West line EAST	County RIO ARriba
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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	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

						¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature JERRY FLETCHER Printed Name ENGINEER TECH. Title Date
						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> N/A Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980
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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20002	² Pool Code 82329	³ Pool Name Otero CHACRA
⁴ Property Code 6414	⁵ Property Name JICARILLA APACHE	⁶ Well Number # 12
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation G.L. 6541

¹⁰ Surface Location

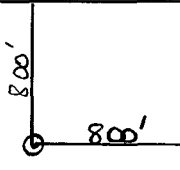
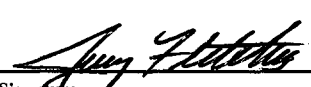
UL or lot no. "A"	Section 33	Township 26N	Range 5W	Lot. Idn	Feet from the 800'	North/South Line NORTH	Feet from the 800'	East/West line EAST	County RIO ARriba
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UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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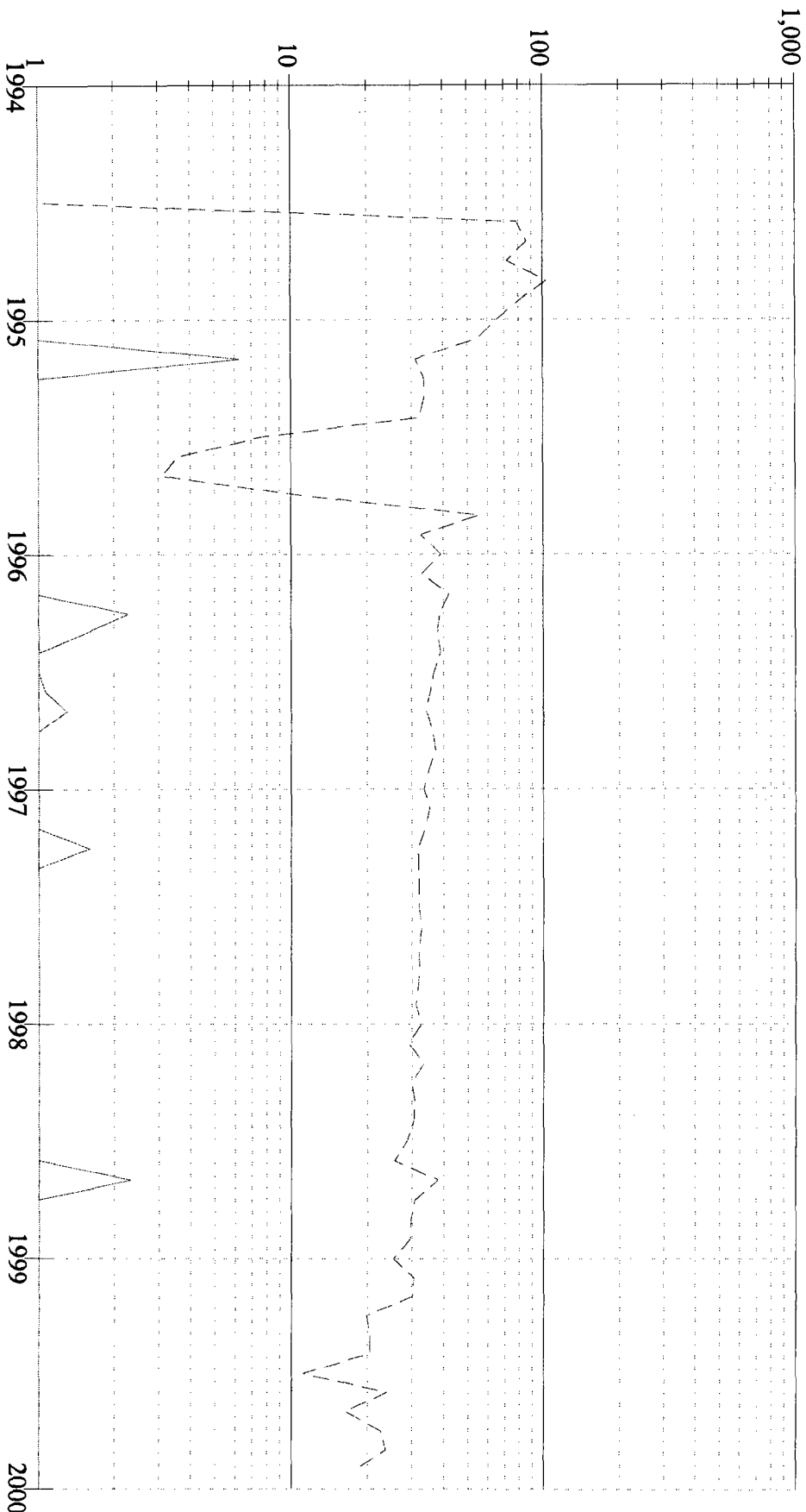
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	Dedicated Acreage →			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature JERRY FLETCHER Printed Name ENGINEER TECH. Title Date
				¹⁸ SURVEYOR CERTIFICATION 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. N/A Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

Oil
Gas
Water
Wells

Field: BLANCO
Lease: JICARILLA APACHE | Well #12
Operator: MARATHON OIL COMPANY
Production Rate vs Time
For the Period 01/1994 to 12/1999 | API: 30039200020000

BBI/Day or Mcf/Day



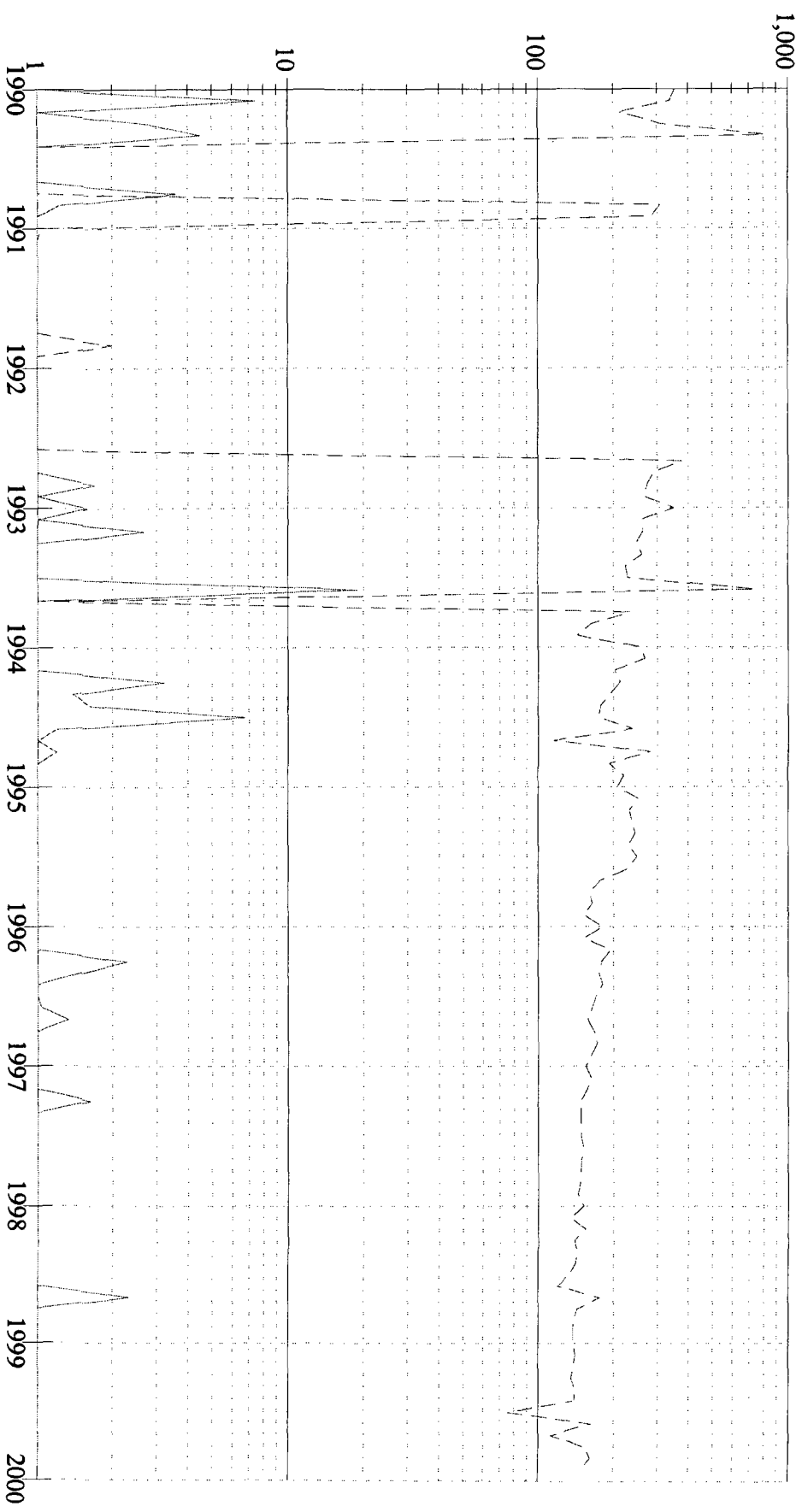
Time

Reported Oil Production = 899 Bbls
Reported Gas Production = 66,818 Mcf
Reported Water Production = 148 Bbls

Oil
Gas
Water
Wells

Field: BASIN
Lease: JICARILLA APACHE | Well #12
Operator: MARATHON OIL COMPANY
Production Rate vs Time
For the Period 01/1990 to 12/1999 | API: 30039200020000

BBI/Day or Mcf/Day



Time

Reported Oil Production = 17,893 Bbls
Reported Gas Production = 2,250,637 Mcf
Reported Water Production = 1,502 Bbls

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1625 N. French Drive, Hobbs, NM 88240

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District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Marathon Oil Company P.O. Box 552 Midland, Tx. 79702
Operator Address
Jicarilla Apache # 12 U.L. "A" Sec. 33, T-26N,R-5W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 14021 Property Code 6414 API No. 30-039-2002 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Chacra	Menefee/Mesa Verde	Dakota
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3776 to 3803	4700 to 5262	7074 to 7303
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	300#	325#	350#
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 API	38 API	39 API
Producing, Shut-In or New Zone	New Zone	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % % 0.0 15	Oil Gas % % 0.0 60	Oil Gas % % 0.0 25

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☒ N/A
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐
NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Jerry F. Fletcher TITLE Engineer Tech. DATE 6-23-00
TYPE OR PRINT NAME Jerry Fletcher TELEPHONE NO. (915) 687-8357



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

June 22, 2000

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87501

Re: **Request for Exception to Rule 303-A**
Downhole Commingling
Jicarilla Apache No. 12
800' FNL & 800" FEL
Unit Letter "A", Section 33, T-26-N, R-5-W
Basin Dakota & Mesa Verde
Jicarilla Field
Rio Arriba County, New Mexico

Dear Mr. Catanach:

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These two pools represent marginal production. The well was drilled and completed in the Basin Dakota pool in late 1967. In early 1994, the Mesa Verde was perforated and stimulated. Plans are to perforate the Menefee and Chacra and downhole commingle all four pools.

By downhole commingling the production from these four zones, production will be realized that could not economically justify the cost of equipment to separate the zones. Rod pumping equipment will be utilized to keep the PBHP as low as possible. Producing the well in this manner will allow complete development of the productive capacity of the well, prevent crossflow and extend the economic life of both completions, thereby preventing waste.

Enclosed is pertinent data to support this application as outlined in Rule 303-A. If additional information is necessary, please contact me at 915/687-8357.

Sincerely,

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Jerry Fletcher
Engineering Technician

JF/dt
enclosure

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
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 30-039-20002	² Pool Code 82329	³ Pool Name Otero CHACRA
⁴ Property Code 6414	⁵ Property Name JICARILLA APACHE	⁶ Well Number # 12
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation G.L. 6541

¹⁰ Surface Location

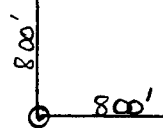
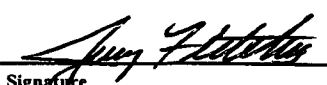
UL or lot no. "A"	Section 33	Township 26N	Range 5W	Lot. Idn	Feet from the 800'	North/South Line NORTH	Feet from the 800'	East/West line EAST	County RIO ARriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<i>Dedicated Acreage</i>		¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature JERRY FLETCHER Printed Name ENGINEER TECH. Title Date
		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> N/A Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980
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811 S. 1st Street, Artesia, NM 88210-2834
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1000 Rio Brazos Rd., Aztec, NM 87410
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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20002	² Pool Code 72319	³ Pool Name Basin Dakota
⁴ Property Code 6414	⁵ Property Name JICARILLA APACHE	⁶ Well Number # 12
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation G.L. 6541

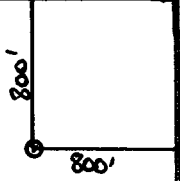
¹⁰ Surface Location

UL or lot no. "A"	Section 33	Township 26N	Range 5W	Lot. Idn	Feet from the 800'	North/South Line NORTH	Feet from the 800'	East/West line EAST	County RIO ARRIBA
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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 320 E/2		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

Dedicated Acreage	320 E/2		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u><i>Jerry Fletcher</i></u> Printed Name JERRY FLETCHER Title ENGINEER TECH. Date 07-19-00
			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. <u>N/A</u> Date of Survey Signature and Seal of Professional Surveyer:
			Certificate Number

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-20002	² Pool Code 72319	³ Pool Name Blanco Mesa Verde
⁴ Property Code 6414	⁵ Property Name JICARILLA APACHE	⁶ Well Number # 12
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation G.L. 6541

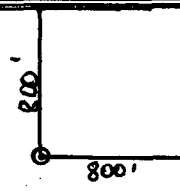

¹⁰ Surface Location

UL or lot no. "A"	Section 33	Township 26N	Range 5W	Lot. Idn	Feet from the 800'	North/South Line NORTH	Feet from the 800'	East/West line EAST	County RIO ARRIBA
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UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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Dedicated Acreage 320 E/2 →		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature JERRY FLETCHER Printed Name ENGINEER TECH. Title 07-19-00 Date
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		Certificate Number

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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505Form C-107A
Revised May 15, 2000

APPLICATION TYPE

☒ Single Well☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Marathon Oil Company

P.O. Box 552 Midland, Tx. 79702

Operator

Address

Jicarilla Apache # 12

U.L. "A" Sec. 33, T-26N, R-5W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 14021 Property Code 6414 API No. 30-039-2002 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Chacra	Menefee/Mesa Verde	Dakota
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3776 to 3803	4700 to 5262	7074 to 7303
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	300#	325#	350#
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 API	38 API	39 API
Producing, Shut-In or New Zone	New Zone	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0.0 % 37.21 %	Oil Gas 0.0 % 30.23 %	Oil Gas 0.0 % 32.56 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Jerry Fletcher TITLE Engineer Tech. DATE 9-14-00NAME Jerry FletcherTELEPHONE NO. (915) 687-8357

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Marathon Oil Company

P.O. Box 552 Midland, Tx. 79702

Operator

Address

Jicarilla Apache # 12 U.L. "A" Sec. 33, T-26N,R-5W Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 14021 Property Code 6414 API No. 30-039-2002 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Chacra	Menefee/Mesa Verde	Dakota
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3776 to 3803	4700 to 5262	7074 to 7303
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Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 API	38 API	39 API
Producing, Shut-In or New Zone	New Zone	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates: N/A	Date: N/A Rates: N/A	Date: N/A Rates: N/A
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 0.0 % Gas N/A %	Oil 0.0 % Gas N/A %	Oil 0.0 % Gas N/A %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☒

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Jerry Fletcher TITLE Engineer Tech. DATE 6-23-00

TYPE OR PRINT NAME Jerry Fletcher TELEPHONE NO. (915) 687-8357