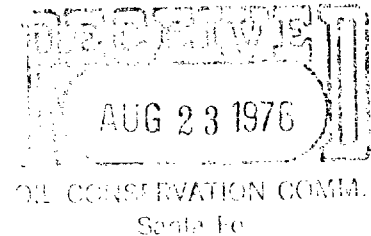




**Marathon
Oil Company**

PO Box 2409
Hobbs New Mexico 88240
Telephone 505/393 7106

August 20, 1976



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. Joe D. Ramey, Director

Re: On-Lease, Surface Commingling, Marathon Oil Company,
Mark Owen Lease, Drinkard Field, Lea County, New Mexico

Gentlemen:

Marathon Oil Company hereby respectfully requests an amendment to Commingling Order PC-493. This order is dated November 18, 1974, and permits the on-lease, surface commingling of liquid hydrocarbons from the Blinebry, Tubb, Drinkard, and Wantz Abo Pools on Marathon's Mark Owen Lease. This lease is described as the SW/4 of Section 35, Township 21-South, Range 37-East, Lea County, New Mexico.

Marathon has recently completed its Mark Owen Well No. 7 on the above referenced lease as a dual Wantz Granite Wash-Wantz Abo. The Wantz Granite Wash is a marginal producer while the Wantz Abo is a top allowable zone. Since the Wantz Abo is a top allowable producer, Marathon Oil Company is requesting that PC-493 be amended by deleting Wantz Abo oil and inserting Wantz Granite Wash oil. This would allow commingling of Wantz Granite Wash oil with Tubb, Blinebry, and Drinkard liquid hydrocarbons. All Wantz Abo oil will then be handled through separate surface facilities.

Attached hereto is a plat showing the wells on the subject lease, the offset wells, and the pool(s) that each well is completed in. Also attached is a diagrammatic sketch of the proposed commingling facility showing it to be of an acceptable design in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities."

All of the wells on the subject lease from which Marathon is seeking to commingle liquid hydrocarbons are marginal producers. A tabulation of the average daily liquid hydrocarbon production during the three-month period ending June 30, 1976 from each completion to be commingled follows.

<u>Pool</u>	<u>Well No.</u>	<u>Daily Average Production April thru June 1976 (B/D)</u>
Blinebry	2	4
Tubb	3	3
Drinkard	1	1
	2	1
	3	1
	4	2
Wantz Granite Wash	7	36

Since only a small volume of condensate is involved, the mixing of the above crude will not affect the anticipated income from the lease.

The ownership of the wells operated by Marathon on the subject lease, along with the royalty ownership, are common throughout.

To allocate the production to the proper well and pool, Marathon proposes to monitor each completion's producing potential by periodic well tests.

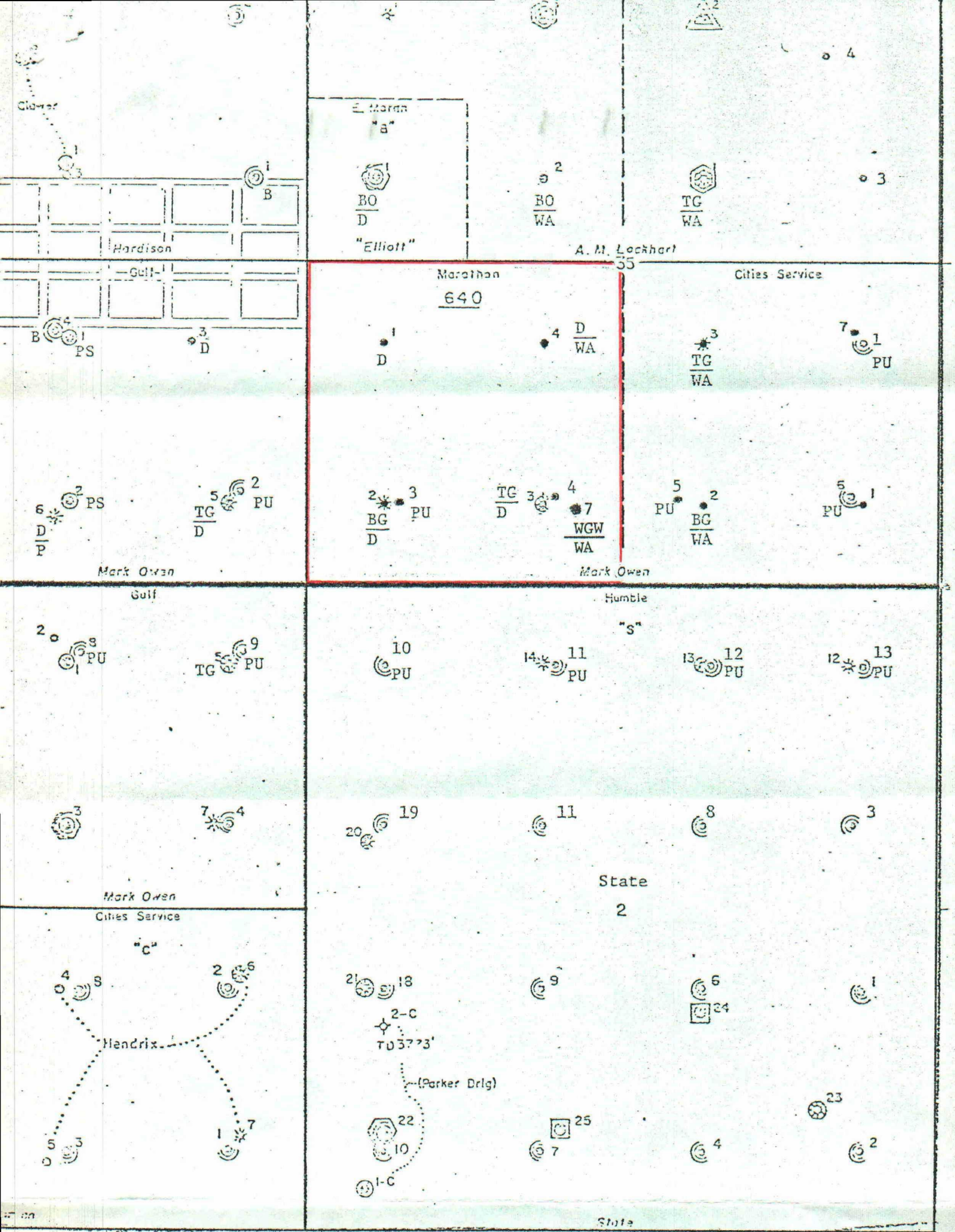
Very truly yours,

MARATHON OIL COMPANY

William D. Holmes

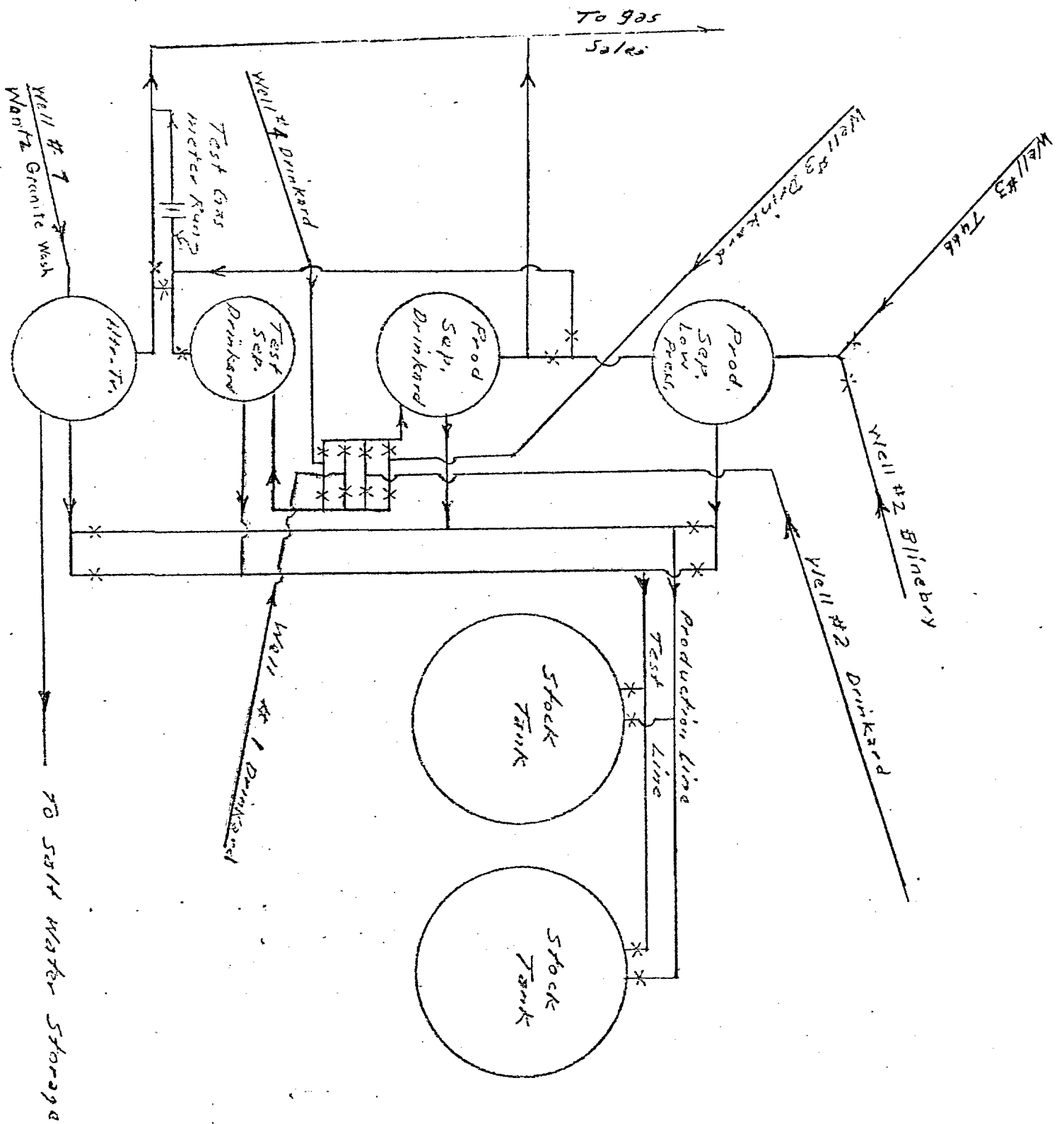
William D. Holmes
Petroleum Engineer

WDH:mfm
Enclosure



MARATHON OIL COMPANY
 Mark Owen Lease
 Sec. 35, T-21S, R-37E
 Drinkard Area
 Lea County, New Mexico

LEGEND
 O - Oil
 G - Gas
 B - Blinbry
 D - Drinkard
 T - Tubb
 WA - Wantz Abo
 PS - Penrosa Skelly
 P - Paddock
 PU - Paddock Unit
 WGW - Wantz Granite Wash



MARATHON OIL COMPANY
 Schematic Diagram of Proposed
 Blinebry, Drinkard, and Wantz
 Wash Commingled Tank Battery, 1
 Owen Lease (160 Acres), Drinkard
 Field, Section 35, T-21S, R-37E,
 County, New Mexico

LEGEND
 X Block Valve
 — Direction of Flow