



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

September 7, 1979

Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. Joe D. Ramey, Director

Re: On-Lease Commingling of Marathon's Hansen State Lease
Monument Field, Lea County, New Mexico

Dear Sir:

Marathon Oil Company respectfully requests administrative approval of an exception to Rule 303-A of the Oil Conservation Division's Rules and Regulations to permit the on-lease commingling of liquid hydrocarbons produced from the Eumont (Queen), Grayburg/San Andres and Tubb formations on Marathon's Hansen State Lease. This lease is described as the Northeast Quarter of Section 16, Township 20-South, Range 37-East.

Attached is a plat showing the wells on the lease, the offset wells, and the pools in which each well on the lease is completed. Included is a diagram of the proposed commingling facility showing it to be of an acceptable design and in accordance with the Division's "Manual for the Installation and Operation of Commingling Facilities".

All the wells operated by Marathon on the lease are marginal producers and the Tubb and Grayburg/San Andres production in Well No. 5 is currently commingled downhole under Administrative Order No. DHC-95

Shown below is the average daily liquid hydrocarbon production from each pool by well:

<u>Pool</u>	<u>Well No.</u>	<u>Daily Average Liquid Hydrocarbon Production (B/D)</u>
Eumont	4	6
Grayburg/San Andres	1	2
	3	3
Grayburg/San Andres & Tubb	5	11

OIL CONSERVATION DIVISION
SANTA FE

Oil Conservation Division

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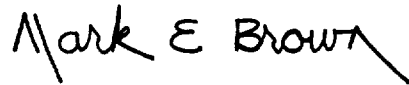
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The gravities of the crudes are very similar and mixing them will not affect income from the lease.

The royalty ownership in the pools is common.

To properly allocate production, Marathon proposes to monitor each completion's producing potential by periodic well tests.

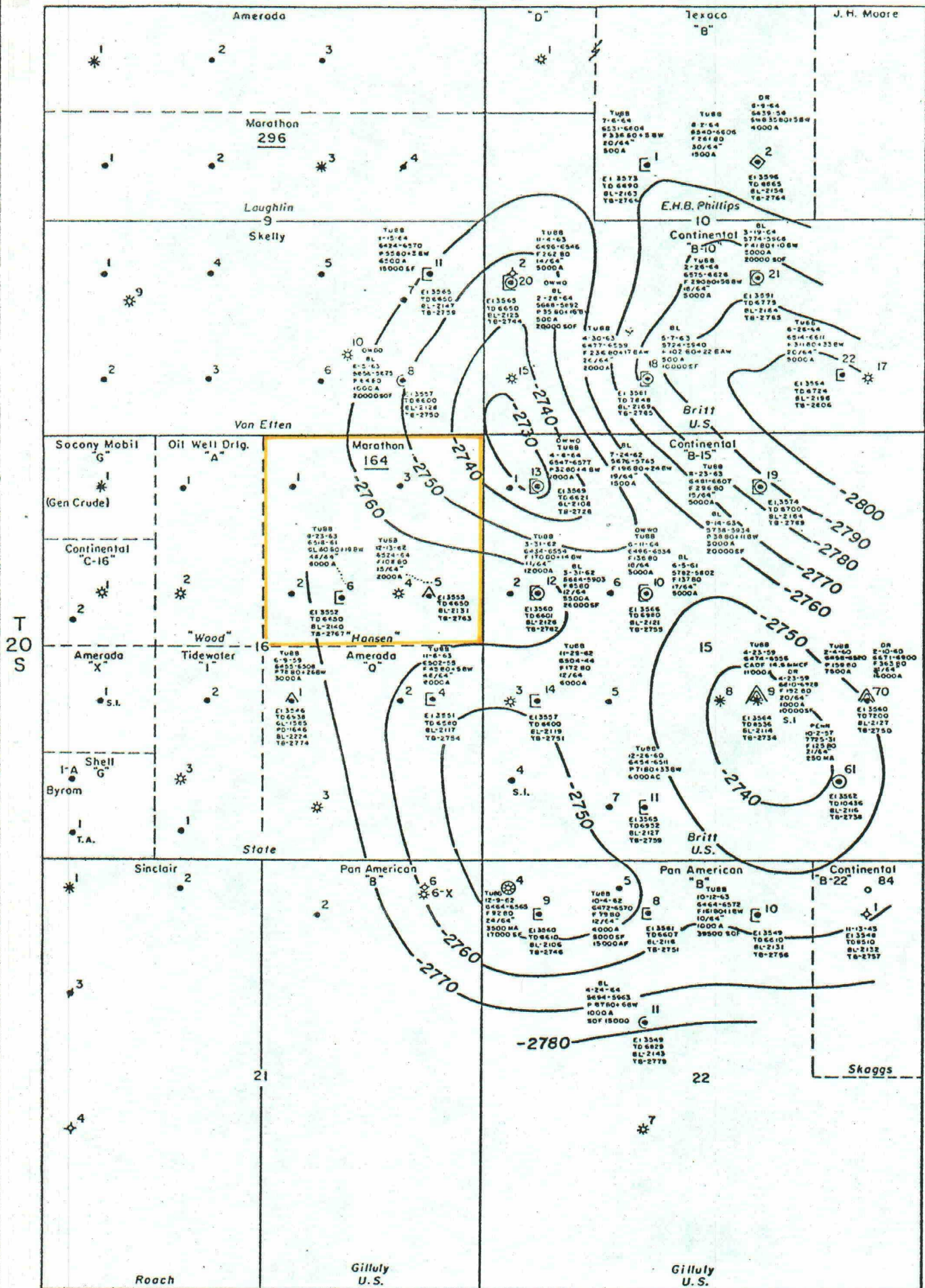
Very truly yours,

A handwritten signature in black ink that reads "Mark E Brown". The signature is written in a cursive, slightly slanted style. The "M" is large and loops around the "a". The "E" is simple and the "Brown" is written in a fluid, connected script.

Mark E. Brown
Production Engineer

MEB:lbp
Enclosures

R-37-E



LEGEND

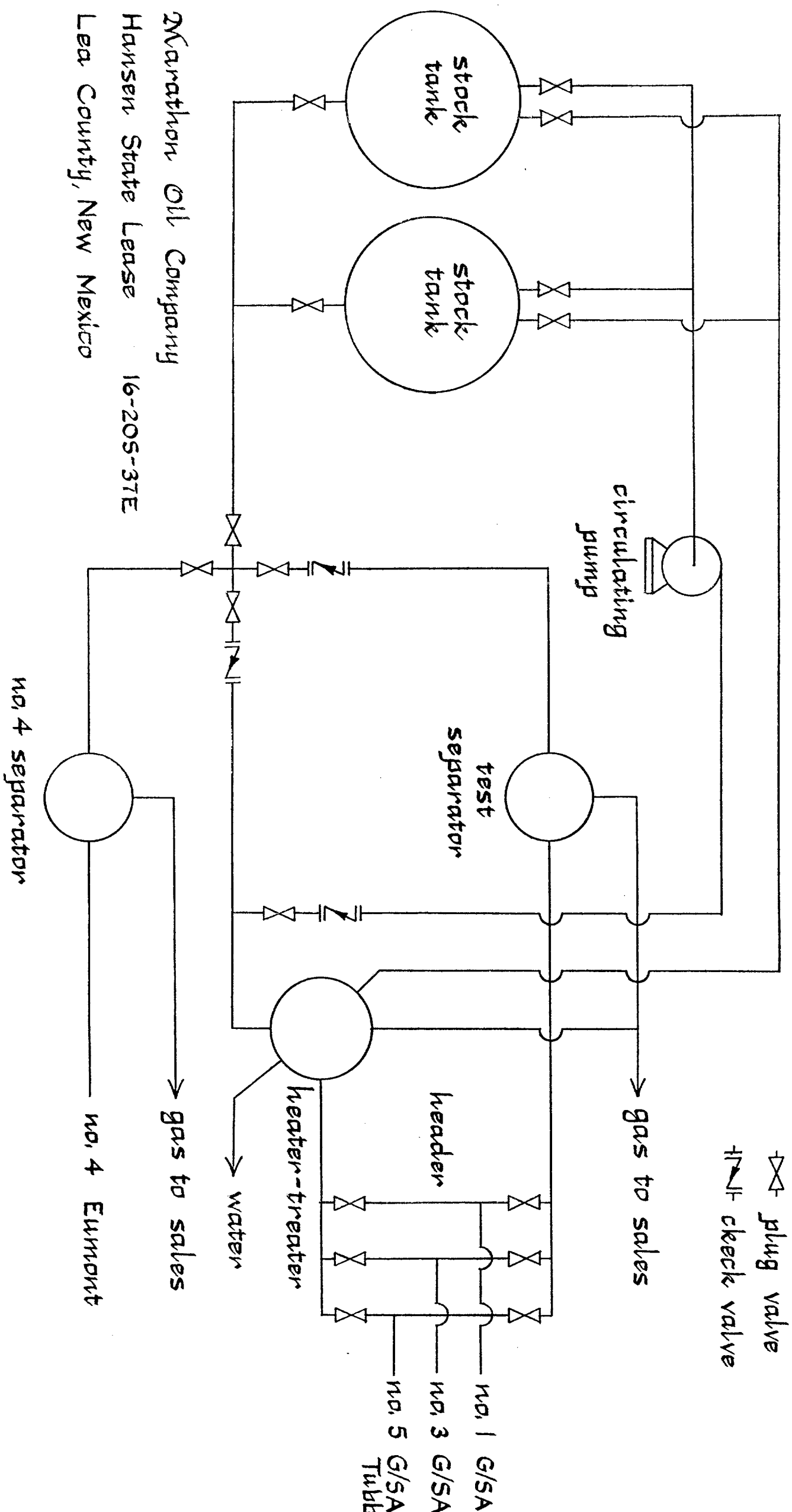
- * EUMONT GAS (YATES, SEVEN RIVERS, QUEEN)
- ⊙ WEIR BLINEBRY OIL
- ⊙ CASS PENN OIL
- MONUMENT OIL (GRAYBURG, SAN ANDRES)
- ⊞ MONUMENT TUBB OIL
- ⊞ DUAL- EUMONT GAS, MONUMENT GAS
- * DUAL- EUMONT GAS, MONUMENT OIL
- ⊞ DUAL- WEIR TUBB GAS, WEIR DRINKARD OIL
- ⊞ DUAL- MONUMENT OIL, MONUMENT TUBB OIL
- ⊞ DUAL- MONUMENT TUBB OIL, WEIR BLINEBRY OIL
- ⊞ DUAL- WEIR DRINKARD OIL, WEIR TUBB OIL
- ⊞ DUAL- MONUMENT TUBB OIL, SKAGGS DRINKARD OIL

CONTOURED ON TOP OF TUBB
CONTOUR INTERVAL-10'
MONUMENT TUBB
AND WEIR BLINEBRY POOLS

LEA COUNTY, NEW MEXICO



MARATHON OIL COMPANY—MIDLAND, TEXAS



Marathon Oil Company
Hansen State Lease 16-205-37E
Lea County, New Mexico