

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MARKS AND GARNER PRODUCTION,
LTD. CO. FOR AN EXCEPTION TO DIVISION RULES
305 AND 309 TO PERMIT LEASE COMMINGLING AND
APPROVAL OF A CENTRAL DELIVERY POINT, EDDY
COUNTY, NEW MEXICO.

No. 12239

APPLICATION

Marks and Garner Production, Ltd. Co. applies for an exception to Division Rules 305 and 309 to permit (i) production of casinghead gas without separately metering production, (ii) lease commingling, and (iii) a central delivery point for gas production, and in support thereof, states:

1. Applicant is the operator of (a) federal leases covering the S $\frac{1}{2}$ of Section 33, Township 16 South, Range 29 East, NMPM, and (b) state leases covering Section 4, and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5, Township 17 South, Range 29 East, NMPM, as to the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool. Interest ownership varies in the leases.

2. Applicant proposes to commingle gas production from the Grayburg-Jackson Pool from 17 wells located on the subject leases and lands, and deliver it to a central delivery point to be located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ (Unit O) of Section 8, Township 17 South, Range 29 East, NMPM, without separately metering production. Applicant will allocate production to each well and to each lease on the basis of monthly well tests. The wells involved are as follows:

<u>Well Name</u>	<u>Location</u>
Red Twelve Fed. No. 1	Unit O §33-16S-29E
Red Twelve Fed. No. 2	Unit P §33-16S-29E
Levers Fed. No. 5	Unit M §33-16S-29E
Levers Fed. No. 6	Unit L §33-16S-29E

Livers Fed. No. 7
Diamond St. No. 1
Diamond St. No. 2
Red St. No. 1
Red St. No. 2
State No. 1
State No. 2
Red Twelve St. No. 1
Red Twelve St. No. 2
Cave St. No. 1
Cave St. No. 5
Cave St. No. 2
Red Twelve St. No. 3

Unit J §33-16S-29E
Unit O §4-17S-29E
Unit M §4-17S-29E
Unit B §4-17S-29E
Unit G §4-17S-29E
Unit D §4-17S-29E
Unit C §4-17S-29E
Unit N §4-17S-29E
Unit H §4-17S-29E
Unit D §4-17S-29E
Unit C §4-17S-29E
Unit H §5-17S-29E
Unit I §5-17S-29E

3. Notice of this application has been given to all interest owners in the affected leases, by certified mail.

4. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that the Division approve the relief requested herein.

Respectfully submitted,



James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Marks and Garner
Production, Ltd. Co.