

VACUUM-BLINEBRY POOL
Lea County, New Mexico

Order No. R-2449, April 1, 1963, Establishing Pool, as Amended by Order No. R-2469, May 1, 1963; Order No. R-2527, August 1, 1963; Order No. R-2569, October 1, 1963; Order No. R-2639, February 1, 1964.

T-17-S, R-34-E W/2, SE/4 Sec. 25; E/2 Sec. 26; Sec. 36.

VACUUM-GLORIETA POOL
Lea County, New Mexico

Order No. R-2449, April 1, 1963, Establishing Pool, as Amended by Order No. R-2485, June 1, 1963; Order No. R-2552, September 1, 1963; Order No. R-2620, January 1, 1964; Order No. R-2705, June 1, 1964; Order No. R-2760, September 1, 1964; Order No. R-2833, January 1, 1965; Order No. R-2870, March 1, 1965; Order No. R-2967, October 1, 1965; Order No. R-3166, January 1, 1967; Order No. R-7334, September 1, 1983.

T-17-S, R-34-E W/2, SE/4 Sec. 24; Sec. 25; SE/4 Sec. 26; E/2 Sec. 35; Sec. 36.

T-17-S, R-35-E W/2 Sec. 26; Secs. 27 through 33; W/2 Sec. 34.

T-18-S, R-34-E N/2 Sec. 1; NE/4 Sec. 2.

T-18-S, R-35-E N/2 Sec. 5; N/2 Sec. 6.

SOUTH DRINKARD POOL
(DRINKARD)
(Abandoned)
Lea County, New Mexico

Order No. 850, January 1, 1950, Redefining Pool.

T-23-S, R-37-E Sec. 3.

DUBLIN POOL
(ELLENBURGER)
(Abandoned)
Lea County, New Mexico

Order No. 850, January 1, 1950, Redefining Pool.

T-26-S, R-37-E Secs. 11 through 14.

DUBLIN-DEVONIAN GAS POOL
(Formerly Dublin-Devonian Pool)
Lea County, New Mexico

Order No. 850, January 1, 1950, Redefining Pool, as Amended by Order No. R-1772, September 16, 1960; Order No. R-7607, August 1, 1984.

T-26-S, R-37-E Secs. 11, 12.

T-26-S, R-38-E SW/4 Sec. 7.

INBE-WOLFCAMP POOL
Lea County, New Mexico

Order No. R-2469, May 1, 1963, Establishing Pool.

Pool abolished by Order No. R-3295, September 1, 1967.

TEAS-BONE SPRINGS POOL
Lea County, New Mexico

Order No. R-2469, May 1, 1963, Establishing Pool, as Amended by Order No. R-8340, November 1, 1986; Order No. R-8696, August 1, 1988; Order No. R-9095, January 1, 1990.

T-20-S, R-33-E Sec. 2; W/2 Sec. 11; S/2, NW/4 Sec. 14; NE/4 Sec. 23.

EK-YATES-SEVEN RIVERS-QUEEN POOL
Lea County, New Mexico

Order No. R-606, March 16, 1955, Establishing Pool, as Amended by Order No. R-631, May 12, 1955; Order No. R-675, August 17, 1955; Order No. R-713, November 10, 1955; Order No. R-738, January 9, 1956; Order No. R-842, July 9, 1956; Order No. R-914, November 13, 1956; Order No. R-982, April 23, 1957; Order No. R-1008, May 26, 1957; Order No. R-2469, May 1, 1963; Order No. R-2527, August 1, 1963; Order No. R-2620, January 1, 1964; Order No. R-4014, September 1, 1970; Order No. R-4646, November 1, 1973; Order No. R-4743, April 1, 1974; Order No. R-7009, July 1, 1982; Order No. R-7763, January 1, 1985; Order No. R-8149, March 1, 1986.

T-17-S, R-33-E SE/4 Sec. 36.

T-18-S, R-33-E E/2, NW/4 Sec. 1; NE/4 Sec. 12; S/2 NW/4, S/2 Sec. 13; S/2, NW/4, S/2 NE/4 Sec. 14; N/2 Sec. 23; Sec. 24; NE/4 Sec. 25.

T-18-S, R-34-E W/2, SE/4 Sec. 6; Sec. 7; NW/4, S/2 Sec. 8; SW/4 Sec. 9; NW/4 Sec. 16; W/2, N/2 NE/4 Sec. 17; Secs. 18, 19; W/2 Sec. 20; N/2 Sec. 30.

EAST EK-QUEEN POOL
Lea County, New Mexico

Order No. R-1118, January 28, 1958, Establishing Pool, as Amended by Order No. R-1772, September 16, 1960; Order No. R-1824, November 21, 1960; Order No. R-1942, May 1, 1961; Order No. R-3411, June 1, 1968; Order No. R-3631, January 1, 1969; Order No. R-4499, April 1, 1973; Order No. R-4540, June 1, 1973; Order No. R-5063, July 1, 1975; Order No. R-7248, April 1, 1983.

T-18-S, R-34-E S/2 SE/4 Sec. 21; S/2 NW/4, SW/4, E/2 Sec. 22; NW/4 Sec. 23; NW/4 Sec. 27; E/2, NW/4 Sec. 28.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING THE APPLICATION OF
MARATHON OIL COMPANY FOR
TERMINATION OF OIL PRORATIONING
IN THE VACUUM-GLORIETA POOL, LEA
COUNTY, NEW MEXICO.

APR 23 1992

OIL CONSERVATION DIV.
SANTA FE

Case No. 10462
Order No. R-

CLOSING STATEMENT OF OPPONENT
MOBIL EXPLORATION & PRODUCING U.S.

The Application filed by Marathon Oil Company in this case for termination of oil prorating in the Vacuum-Glorieta Oil Pool in Lea County, New Mexico, should be denied. The denial of this Application will operate to prevent waste of natural resources and will operate to protect the correlative rights of other interest owners in the Vacuum-Glorieta Oil Pool as is required by the Oil and Gas Act and the Rules and Regulations of the Division.

Marathon appears before the Division seeking the termination of oil prorating and an exemption from the provisions of General Rule 505, because the various interest owners in the area which would be the Vacuum-Glorieta West Unit area have been unable to agree on a participation formula to be used in the proposed secondary recovery unit. Although it may be correct that the interest owners have not been able to agree, such disagreement among interest owners is not sufficient reason to threaten waste of natural resources and impairment of interest owners correlative rights.

Testimony and exhibits presented by Mobil Exploration and Producing U.S. ("Mobil") demonstrate that the eastern part of the Vacuum-Glorieta Oil Pool has already experienced significant water influx. The geological evidence presented by both parties to this hearing indicates that the Vacuum-Glorieta Pool is a particularly heterogeneous reservoir which is composed of zones of varying permeability and porosity and it is this heterogeneity which causes the threat of waste and correlative rights impairment.

The combination of existing water influx and varying permeability zones indicates that if the top allowable wells in the Vacuum-Glorieta Oil Pool are allowed to produce at capacity coning of water to the wellbore of these wells, through the higher permeability zones, is likely to cause the isolation of oil resources that will be bypassed by the water migrating through the higher permeability zones. Isolating these resources in the high porosity low permeability stringers will cause the waste of these natural resources and will make the ultimate recovery of oil from this pool significantly lower.

At the hearing, Applicant indicated that only by allowing the top allowable wells to produce at capacity could decline curves be constructed and accurate participation formulas be derived. Mobil's witness testified that there is modern technology available which will indicate more precise information about the reservoir without the danger inherent in increased production and that this information could be utilized in discussions among interest owners in the proposed unit area to resolve their differences.

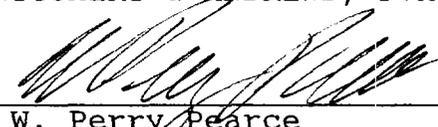
In a somewhat novel application, Marathon Oil Company requests that the Division void the provisions of a statewide rule which has been applicable to all wells and all operators in the Vacuum-Glorieta Oil Pool since the discovery and development of this pool in the early 1960's. The justification for this departure from longstanding operating practices and statewide rule is that interest owners within a proposed unit area are unable to agree, and apparently are unwilling to compromise, in order to facilitate the formation of a secondary recovery unit which would facilitate the production of additional reserves.

Mobil agrees that unitization of the Vacuum-Glorieta West Unit area is an appropriate step, however, Mobil is concerned that the granting of this application is certainly not assured of being successful in getting agreement among interest owners in the unit to facilitate unitization and because of the geology of the Vacuum-Glorieta Pool, the granting of this Application threatens to cause waste of natural resources and threatens to impair the correlative rights of other interest owners by causing damage to the reservoir itself. Based upon the availability of alternative and more precise logging technology and because of the threat of waste and impairment of correlative rights, the Application of Marathon Oil Company for the termination of oil prorationing in the Vacuum-Glorieta Oil Pool should be denied.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By



W. Perry Pearce
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873

Attorneys for Mobil Exploration
and Producing U.S.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF MARATHON OIL
COMPANY TO REMOVE ALLOWABLE
RESTRICTIONS APPLICABLE TO
THE VACUUM-GLORIETA POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 10462

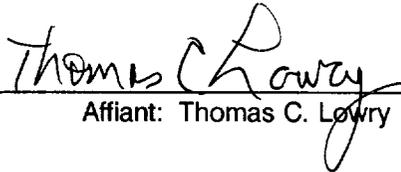
STATE OF TEXAS §
 § SS.
COUNTY OF MIDLAND §

AFFIDAVIT AS TO NOTICE

The undersigned, **Thomas C. Lowry**, being first duly sworn, does depose and say:

- 1) He is an attorney licensed to practice law in the State of Texas, who is employed by Marathon Oil Company as in-house counsel, and who has been authorized to execute this affidavit in behalf of Marathon Oil Company.
- 2) It was Affiant's responsibility to insure that proper notice of the hearing scheduled for April 2, 1992 in the above styled cause was properly given in accordance with New Mexico Oil Conservation Division Rule 1207.
- 3) Marathon Oil Company has conducted a good-faith diligent effort to find the correct address of the persons entitled to receive notice.
- 4) Pursuant to the requirements of O.C.D. Rule 1207.A.(7), pertaining to applications for the adoption of, or amendment of, special pool rules, actual notice was given by Affiant in behalf of Marathon Oil Company to all operators of wells within the boundaries of the Vacuum-Glorieta Pool and all operators of wells within one mile of such boundaries. To Affiant's knowledge there are no unleased mineral owners within the pool boundaries. A list of the parties receiving notice is attached as Exhibit "A" to this affidavit.
- 5) Letters in the form attached as Exhibit "B" to this affidavit were sent by certified mail on March 12, 1992 to all operators listed on Exhibit "A" to this affidavit, with the exception of Oxy U.S.A., Inc. and Conoco, Inc.
- 6) Notice of the hearing was sent to Oxy U.S.A., Inc. by certified mail on March 18, 1992 and to Conoco Inc. by certified mail on March 19, 1992. Although the notices to Oxy U.S.A., Inc. and Conoco Inc. were not given twenty days prior to the April 2, 1992, the hearing date, Oxy U.S.A., Inc. and Conoco Inc. have provided Marathon with waivers of the right to receive twenty-day notice. Those waivers are attached as Exhibit "C" and Exhibit "D" to this Affidavit.

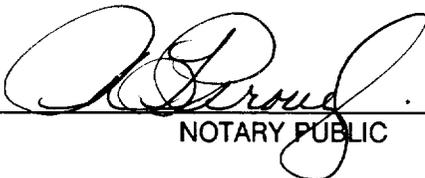
- 7) Notice was also sent by Marathon on March 12, 1992 to the Commissioner of Public Lands of the State of New Mexico, as the owner of the minerals underlying the Vacuum-Glorieta Pool.
- 8) Attached as Exhibit "E" to this Affidavit are copies of the returned receipts from the mailing of notice of hearing to the various interested parties in the Vacuum-Glorieta Pool.


Affiant: Thomas C. Lowry

-- NOTARY PUBLIC --

SUBSCRIBED and SWORN to before me this the 3rd day of March, 1992.

(SEAL)


NOTARY PUBLIC

My Commission Expires on: 8/15/92

EXHIBIT "A"

VACUUM-GLORIETA OPERATORS

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: James E. Baca

Amerada Hess Corporation
P. O. Box 2040
Tulsa, OK 74102
Attention: Dan Foland

Arco Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702
Attention: Ray Pyle

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe
Santa Fe, N.M. 87504

Oxy USA, Inc.
P. O. Box 50250
Midland, Texas 79710
Attention: Vance Woolley

Exxon Company, U.S.A.
P. O. Box 3116
Midland, Texas 79702
Attention: Sam H. Jolliffe, IV

Mobil Producing Texas & N.M, Inc.
P. O. Box 633
Midland, Texas 79702
Attention: Danny Pequeno

Shell Western E&P, Inc.
P. O. Box 576
Houston, Texas 77001
Attention: Donnie Champlin

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702-3109
Attention: Mike Mullins

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention: Frank Hulse

Conoco Inc.
10 Desta Drive
Midland, Texas 79705
Attention: Mike Johnson

EXHIBIT "B"



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

March 12, 1992

All Operators / Interest Owners
Vacuum-Glorieta Pool
Lea County, New Mexico

RE: Application to Raise Pool Allowables

Gentlemen:

Enclosed with this letter you will find Marathon's application to the New Mexico Oil Conservation Division for an order establishing a special depth bracket allowable for the Vacuum-Glorieta pool equal to the producing capacity of each well in the pool. The application has been set for hearing on April 2, 1992 in Santa Fe, New Mexico. You have the right to enter an appearance in this case, either in favor or in opposition, by contacting the Oil Conservation Division, P. O. Box 2088, Santa Fe, N.M., 87504. By memorandum, the director of O.C.D. has requested that parties planning to appear at hearings before the Division file a pre-hearing statement indicating their position regarding the application and any witness or exhibits they wish to present, no later than 4:00 p.m. on the Friday preceding the hearing.

If you have any questions at all regarding the application, please feel free to call Marathon Engineer, Paul Tauscher, or me, at the number shown above in the letterhead.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas C. Lowry'.

T. C. Lowry

TCLVJ

Enclosure

C:\MISCTCL\VGA\HEARING.MEM

EXHIBIT "C"

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF MARATHON OIL
COMPANY TO REMOVE ALLOWABLE
RESTRICTIONS APPLICABLE TO
THE VACUUM-GLORIETA POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 10462

WAIVER OF RIGHT TO TWENTY-DAY NOTICE

OXY U.S.A., INC. acknowledges it has received notice of the hearing set before the New Mexico Oil Conservation Division for April 2, 1992 on the application of Marathon Oil Company to remove allowable restrictions applicable to the Vacuum-Glorieta Pool in Lea County, New Mexico. The notice was not given the required twenty days prior to the date of the scheduled hearing, however, **OXY U.S.A., INC.** hereby waives its right to receive twenty days notice of the hearing and declares that should it choose to present evidence on the application, it will be prepared to go forward at the April 2, 1992 hearing, and its rights are not prejudiced by the failure of Marathon to give the required twenty days notice of the hearing.

OXY U.S.A., INC.

BY: Richard E. Foxman

RECEIVED
MARATHON OIL CO.

MAR 26 1992

Region Counsel
Mid-Continent Region Law Dept.
Midland, Texas

EXHIBIT "D"

RECEIVED
MARATHON OIL CO.

MAR 30 1992

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Region Counsel
Mid-Continent Region Law Dept.
Midland, Texas

APPLICATION OF MARATHON OIL
COMPANY TO REMOVE ALLOWABLE
RESTRICTIONS APPLICABLE TO
THE VACUUM-GLORIETA POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 10462

WAIVER OF RIGHT TO TWENTY-DAY NOTICE

CONOCO, INC. acknowledges it has received notice of the hearing set before the New Mexico Oil Conservation Division for April 2, 1992 on the application of Marathon Oil Company to remove allowable restrictions applicable to the Vacuum-Glorieta Pool in Lea County, New Mexico. The notice was not given the required twenty days prior to the date of the scheduled hearing, however, CONOCO, INC. hereby waives its right to receive twenty days notice of the hearing and declares that should it choose to present evidence on the application, it will be prepared to go forward at the April 2, 1992 hearing, and its rights are not prejudiced by the failure of Marathon to give the required twenty days notice of the hearing.

CONOCO INC.

BY: Burt H. Meyer 27 MAR '92
PRODUCTION MANAGER

EXHIBIT "E"

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Amerada Hess Corporation P. O. Box 2040 Tulsa, OK 74102 Attention: Dan Foland	4. Article Number P-555-984-854 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Carlos Lamana</i>	
7. Date of Delivery MAR 10 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: ARCO Oil & Gas Company P. O. Box 1610 Midland, TX 79702 Attention: Ray Pyle	4. Article Number P - 555 - 984 - 847 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Ray Pyle</i>	
7. Date of Delivery MAR 12 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Chevron U.S.A., Inc. P. O. Box 1150 Midland, TX 79702 Attention: James E. Baca	4. Article Number P-555-984-846 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>James E. Baca</i>	
7. Date of Delivery MAR 10 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Commissioner of Public Lands State of New Mexico 310 Old Santa Fe Trail P. O. Box 2088 Santa Fe, New Mexico 87504	4. Article Number P 750 420 955 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid) Vacuum-Glorieta Pool
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery MAR 10 1992	

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Exxon Company, U. S. A. P. O. Box 3116 Midland, Texas 79702 Attention: Sam H. Jolliffe, IV	4. Article Number P-555-984-849 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery MAR 16 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Mobil Producing Texas & N.M., Inc. P. O. Box 633 Midland, TX 79702 Attention: Danny Pequeno	4. Article Number P-555-984-850 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X <i>B. Sanchez</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery MAR 16 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: OXY, USA P.O. BOX 50250 Midland, TX 79701 79710 Attn: Vance Wooley	4. Article Number P-750-420-957 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>A. Wooley</i>	
7. Date of Delivery 3/19/92	

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Phillips Petroleum Company 4001 Penbrook Odessa, TX 79762 Attention: Frank Hulse	4. Article Number P-555-984-853 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X <i>Frank Hulse</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 3-16-92	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Texaco Exploration and Production P. O. Box 3109 Midland, TX 79702-3109 Attention: Mike Mullins	4. Article Number P-555-984-852 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Tab Leon</i>	
7. Date of Delivery MAR 16 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Shell Western E&P, Inc. P. O. Box 576 Houston, Texas 77001 Attention: Donnie Champlin	4. Article Number P-555-984-851 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery MAR 17 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF MARATHON OIL
COMPANY TO REMOVE ALLOWABLE
RESTRICTIONS APPLICABLE TO
THE VACUUM-GLORIETA POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 10462

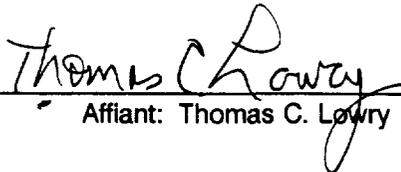
STATE OF TEXAS §
 § SS.
COUNTY OF MIDLAND §

AFFIDAVIT AS TO NOTICE

The undersigned, **Thomas C. Lowry**, being first duly sworn, does depose and say:

- 1) He is an attorney licensed to practice law in the State of Texas, who is employed by Marathon Oil Company as in-house counsel, and who has been authorized to execute this affidavit in behalf of Marathon Oil Company.
- 2) It was Affiant's responsibility to insure that proper notice of the hearing scheduled for April 2, 1992 in the above styled cause was properly given in accordance with New Mexico Oil Conservation Division Rule 1207.
- 3) Marathon Oil Company has conducted a good-faith diligent effort to find the correct address of the persons entitled to receive notice.
- 4) Pursuant to the requirements of O.C.D. Rule 1207.A.(7), pertaining to applications for the adoption of, or amendment of, special pool rules, actual notice was given by Affiant in behalf of Marathon Oil Company to all operators of wells within the boundaries of the Vacuum-Glorieta Pool and all operators of wells within one mile of such boundaries. To Affiant's knowledge there are no unleased mineral owners within the pool boundaries. A list of the parties receiving notice is attached as Exhibit "A" to this affidavit.
- 5) Letters in the form attached as Exhibit "B" to this affidavit were sent by certified mail on March 12, 1992 to all operators listed on Exhibit "A" to this affidavit, with the exception of Oxy U.S.A., Inc. and Conoco, Inc.
- 6) Notice of the hearing was sent to Oxy U.S.A., Inc. by certified mail on March 18, 1992 and to Conoco Inc. by certified mail on March 19, 1992. Although the notices to Oxy U.S.A., Inc. and Conoco Inc. were not given twenty days prior to the April 2, 1992, the hearing date, Oxy U.S.A., Inc. and Conoco Inc. have provided Marathon with waivers of the right to receive twenty-day notice. Those waivers are attached as Exhibit "C" and Exhibit "D" to this Affidavit.

- 7) Notice was also sent by Marathon on March 12, 1992 to the Commissioner of Public Lands of the State of New Mexico, as the owner of the minerals underlying the Vacuum-Glorieta Pool.
- 8) Attached as Exhibit "E" to this Affidavit are copies of the returned receipts from the mailing of notice of hearing to the various interested parties in the Vacuum-Glorieta Pool.


Affiant: Thomas C. Lowry

-- NOTARY PUBLIC --

SUBSCRIBED and SWORN to before me this the 3rd day of March, 1992.

(SEAL)


NOTARY PUBLIC

My Commission Expires on: 8/15/92

EXHIBIT 'A'

1

2000

EXHIBIT 'A' - [Illegible]

[Illegible text]

VACUUM-GLORIETA OPERATORS

Chevron U.S.A., Inc.
P. O. Box 1150
Midland, Texas 79702
Attention: James E. Baca

Amerada Hess Corporation
P. O. Box 2040
Tulsa, OK 74102
Attention: Dan Foland

Arco Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702
Attention: Ray Pyle

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe
Santa Fe, N.M. 87504

Oxy USA, Inc.
P. O. Box 50250
Midland, Texas 79710
Attention: Vance Woolley

Exxon Company, U.S.A.
P. O. Box 3116
Midland, Texas 79702
Attention: Sam H. Jolliffe, IV

Mobil Producing Texas & N.M, Inc.
P. O. Box 633
Midland, Texas 79702
Attention: Danny Pequeno

Shell Western E&P, Inc.
P. O. Box 576
Houston, Texas 77001
Attention: Donnie Champlin

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702-3109
Attention: Mike Mullins

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention: Frank Hulse

Conoco Inc.
10 Desta Drive
Midland, Texas 79705
Attention: Mike Johnson

EXHIBIT "B"



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

March 12, 1992

All Operators / Interest Owners
Vacuum-Glorieta Pool
Lea County, New Mexico

RE: Application to Raise Pool Allowables

Gentlemen:

Enclosed with this letter you will find Marathon's application to the New Mexico Oil Conservation Division for an order establishing a special depth bracket allowable for the Vacuum-Glorieta pool equal to the producing capacity of each well in the pool. The application has been set for hearing on April 2, 1992 in Santa Fe, New Mexico. You have the right to enter an appearance in this case, either in favor or in opposition, by contacting the Oil Conservation Division, P. O. Box 2088, Santa Fe, N.M., 87504. By memorandum, the director of O.C.D. has requested that parties planning to appear at hearings before the Division file a pre-hearing statement indicating their position regarding the application and any witness or exhibits they wish to present, no later than 4:00 p.m. on the Friday preceding the hearing.

If you have any questions at all regarding the application, please feel free to call Marathon Engineer, Paul Tauscher, or me, at the number shown above in the letterhead.

Sincerely,


T. C. Lowry

TCLVJ

Enclosure

C:\MISCTCL\VGA\HEARING.MEM

EXHIBIT "C"

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF MARATHON OIL
COMPANY TO REMOVE ALLOWABLE
RESTRICTIONS APPLICABLE TO
THE VACUUM-GLORIETA POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 10462

WAIVER OF RIGHT TO TWENTY-DAY NOTICE

OXY U.S.A., INC. acknowledges it has received notice of the hearing set before the New Mexico Oil Conservation Division for April 2, 1992 on the application of Marathon Oil Company to remove allowable restrictions applicable to the Vacuum-Glorieta Pool in Lea County, New Mexico. The notice was not given the required twenty days prior to the date of the scheduled hearing, however, **OXY U.S.A., INC.** hereby waives its right to receive twenty days notice of the hearing and declares that should it choose to present evidence on the application, it will be prepared to go forward at the April 2, 1992 hearing, and its rights are not prejudiced by the failure of Marathon to give the required twenty days notice of the hearing.

OXY U.S.A., INC.

BY: Richard E. Foxman

RECEIVED
MARATHON OIL CO.

MAR 25 1992

Region Counsel
Mid-Continent Region Law Dept.
Midland, Texas

EXHIBIT "D"

RECEIVED
MARATHON OIL CO.

MAR 30 1992

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Region Counsel
Mid-Continent Region Law Dept.
Midland, Texas

APPLICATION OF MARATHON OIL
COMPANY TO REMOVE ALLOWABLE
RESTRICTIONS APPLICABLE TO
THE VACUUM-GLORIETA POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 10462

WAIVER OF RIGHT TO TWENTY-DAY NOTICE

CONOCO, INC. acknowledges it has received notice of the hearing set before the New Mexico Oil Conservation Division for April 2, 1992 on the application of Marathon Oil Company to remove allowable restrictions applicable to the Vacuum-Glorieta Pool in Lea County, New Mexico. The notice was not given the required twenty days prior to the date of the scheduled hearing, however, **CONOCO, INC.** hereby waives its right to receive twenty days notice of the hearing and declares that should it choose to present evidence on the application, it will be prepared to go forward at the April 2, 1992 hearing, and its rights are not prejudiced by the failure of Marathon to give the required twenty days notice of the hearing.

CONOCO INC.

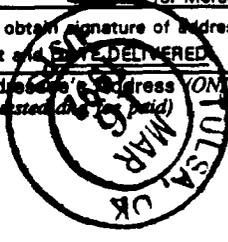
BY: Bruce D. Meyer 27 MAR '92
PRODUCTION MANAGER

EXHIBIT "E"

-

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Amerada Hess Corporation P. O. Box 2040 Tulsa, OK 74102 Attention: Dan Foland	4. Article Number P-555-984-854 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid) 
6. Signature - Agent X <i>Carlos Lammara</i>	
7. Date of Delivery MAR 10 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: ARCO Oil & Gas Company P. O. Box 1610 Midland, TX 79702 Attention: Ray Pyle	4. Article Number P - 555 - 984 - 847 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Ray Pyle</i>	
7. Date of Delivery MAR 12 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Chevron U.S.A., Inc. P. O. Box 1150 Midland, TX 79702 Attention: James E. Baca	4. Article Number P-555-984-846 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>James E. Baca</i>	
7. Date of Delivery MAR 10 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Commissioner of Public Lands State of New Mexico 310 Old Santa Fe Trail P. O. Box 2088 Santa Fe, New Mexico 87504	4. Article Number P 750 420 955 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid) Vacuum-Glorieta Pool
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery MAR 10 1992	

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Exxon Company, U. S. A. P. O. Box 3116 Midland, Texas 79702 Attention: Sam H. Jolliffe, IV	4. Article Number P-555-984-849 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery MAR 16 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Mobil Producing Texas & N.M., Inc. P. O. Box 633 Midland, TX 79702 Attention: Danny Pequeno	4. Article Number P-555-984-850 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X <i>D. Sanchez</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery MAR 16 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: OXY, USA P.O. BOX 50250 Midland, TX 79701 79710 Attn: Vance Woodley	4. Article Number P-750-420-957 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>V. Woodley</i>	
7. Date of Delivery 3/19/92	

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Phillips Petroleum Company 4001 Penbrook Odessa, TX 79762 Attention: Frank Hulse	4. Article Number P-555-984-853 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X <i>F. Hulse</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 3-16-92	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Texaco Exploration and Production P. O. Box 3109 Midland, TX 79702-3109 Attention: Mike Mullins	4. Article Number P-555-984-852 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>John Deon</i>	
7. Date of Delivery MAR 16 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Shell Western E&P, Inc. P. O. Box 576 Houston, Texas 77001 Attention: Donnie Champlin	4. Article Number P-555-984-851 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery MAR 17 1992	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

NMOCD Case 10462

Application of Marathon Oil Company for termination of oil prorationing in the Vacuum-Glorieta Pool, Lea County, New Mexico.

Exxon Corporation is agreeable to and recommends approval of this application with the following constraints:

- 1) Limit the duration of the order to nine months from the effective date.

- 2) Operators producing wells in excess of 107 BOPD average for each month will acquire and provide the following information for those wells to the Vacuum Glorieta Unit Engineering-Geological Technical Committee.
 - A minimum 24-hour production test of oil, water and gas volumes, to be performed twice monthly.

 - Monthly pumping fluid levels to coincide with a production test.

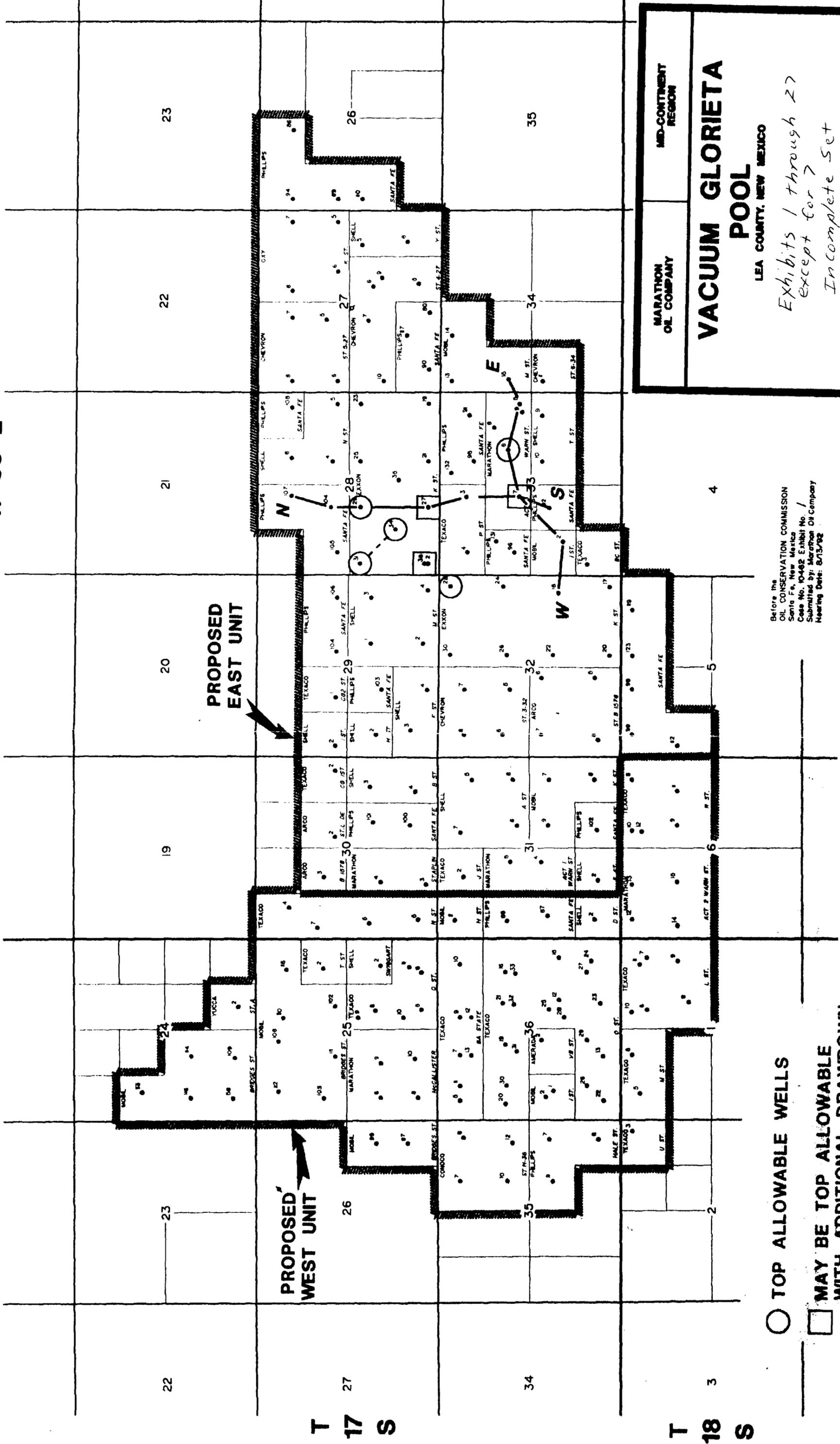
 - A multi-rate flow test during the period to enable calculation of the well's Productivity Index (PI).

 - A shut-in bottom hole pressure, either by direct measurement or fluid level, for any one well on the lease during the period. This may be any well, even non-top allowable wells.

Exhibit No. 1
Exxon Corporation
Case No. 10462
April 2, 1992

R 34 E

R 35 E



PROPOSED EAST UNIT

PROPOSED WEST UNIT

- TOP ALLOWABLE WELLS
- MAY BE TOP ALLOWABLE WITH ADDITIONAL DRAWDOWN

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10402, Exhibit No. 1
Submitted by: Marathon Oil Company
Hearing Date: 8/13/92



MARATHON OIL COMPANY	MID-CONTINENT REGION
<h1>VACUUM GLORIETA POOL</h1>	
LEA COUNTY, NEW MEXICO	
<i>Exhibits 1 through 27 except for 7 Incomplete Set</i>	
ORIGINAL SCALE: 1" = 2000'	DATE: 8/78
AUTHOR:	REVISION:
DRAFTED BY:	PROJECT:
FILE NO.: VAC 8-27-92 078	

R 34 E

R 35 E

22

23

24

19

20

21

22

23

T 17 S

26

27

28

29

30

34

35

36

37

38

35

T 18 S

3

4

5

6

4

PROPOSED EAST UNIT

PROPOSED WEST UNIT

(P) PLUGGED & ABANDONED
(I) INACTIVE

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10-462 Exhibit No. Z
Submitted by Marathon Oil Company
Hearing Date 8/13/92



MARATHON OIL COMPANY

MID-CONTINENT REGION

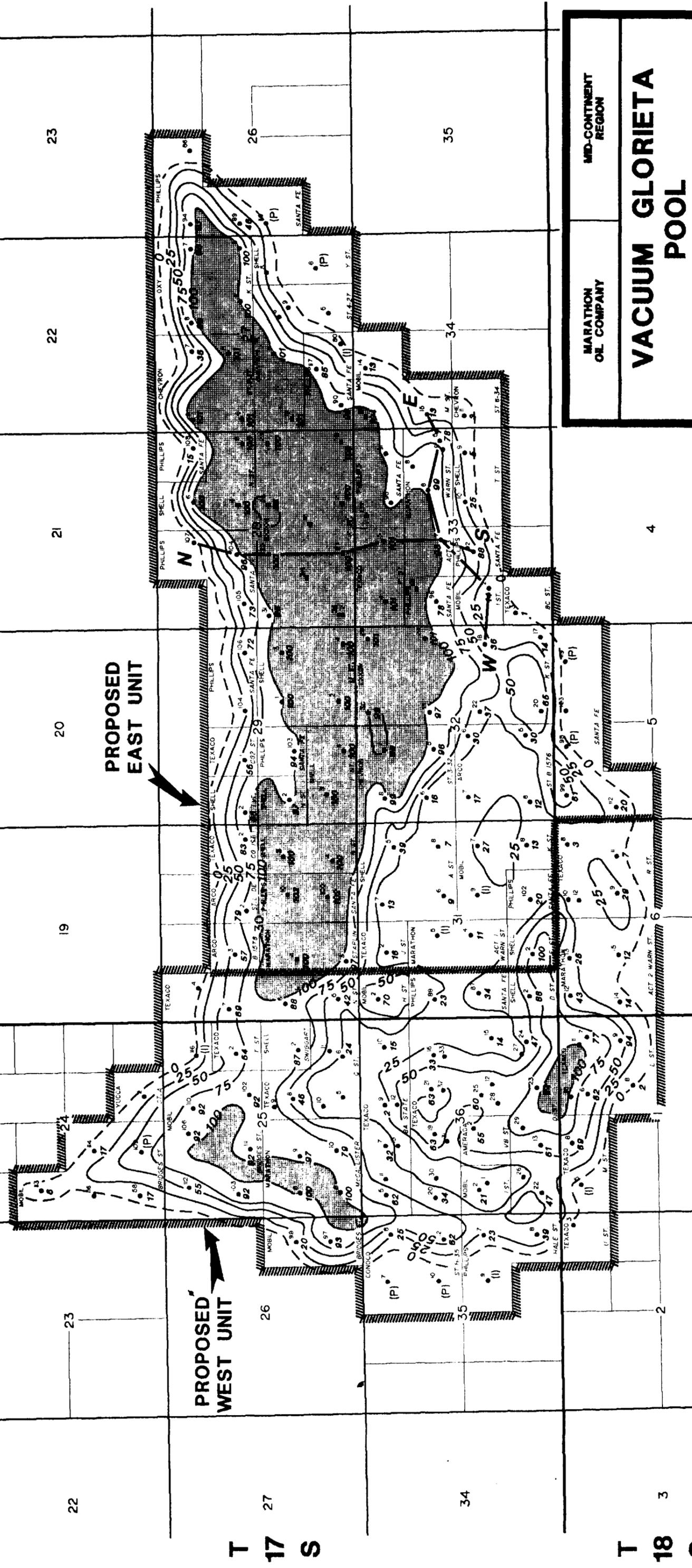
VACUUM GLORIETA POOL

LEA COUNTY, NEW MEXICO

AVERAGE DAILY OIL PRODUCTION RATE NOVEMBER, 1971

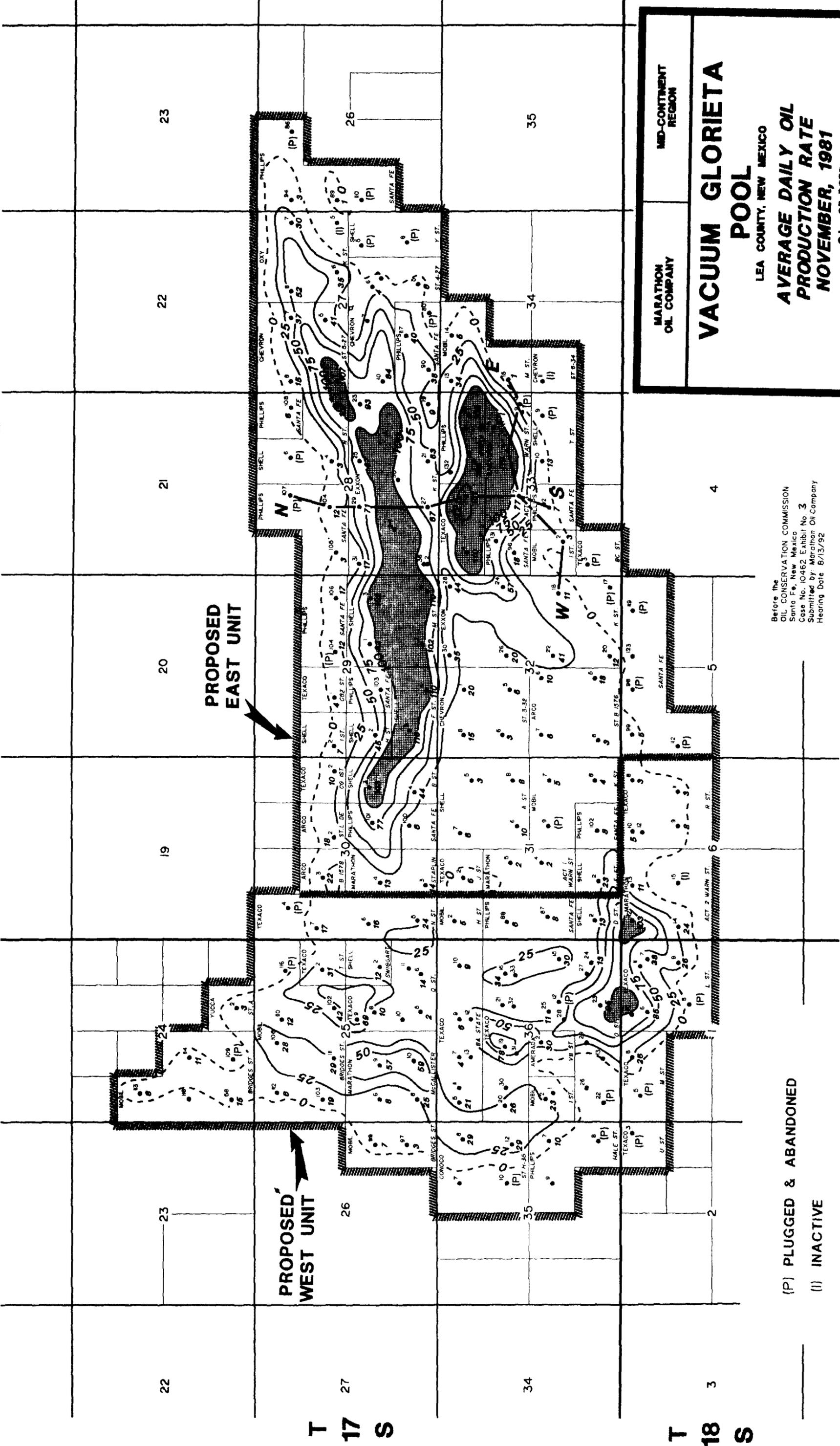
C.I. - 25 BOPD

ORIGINAL SCALE: 1" = 2000'	DATE: 3/78
AUTHOR: J. CHAPMAN	REVISED:
DRAFTED BY:	PROJECT:
	FILE LOC.: VAC.GLOW.RES OPER



R 34 E

R 35 E



(P) PLUGGED & ABANDONED
 (I) INACTIVE

Before the
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Case No. 10462 Exhibit No. 3
 Submitted by: Marathon Oil Company
 Hearing Date 8/13/92



MARATHON OIL COMPANY

MID-CONTINENT REGION

VACUUM GLORIETA POOL

LEA COUNTY, NEW MEXICO

AVERAGE DAILY OIL PRODUCTION RATE NOVEMBER, 1981

C-1 = 25 BOPO

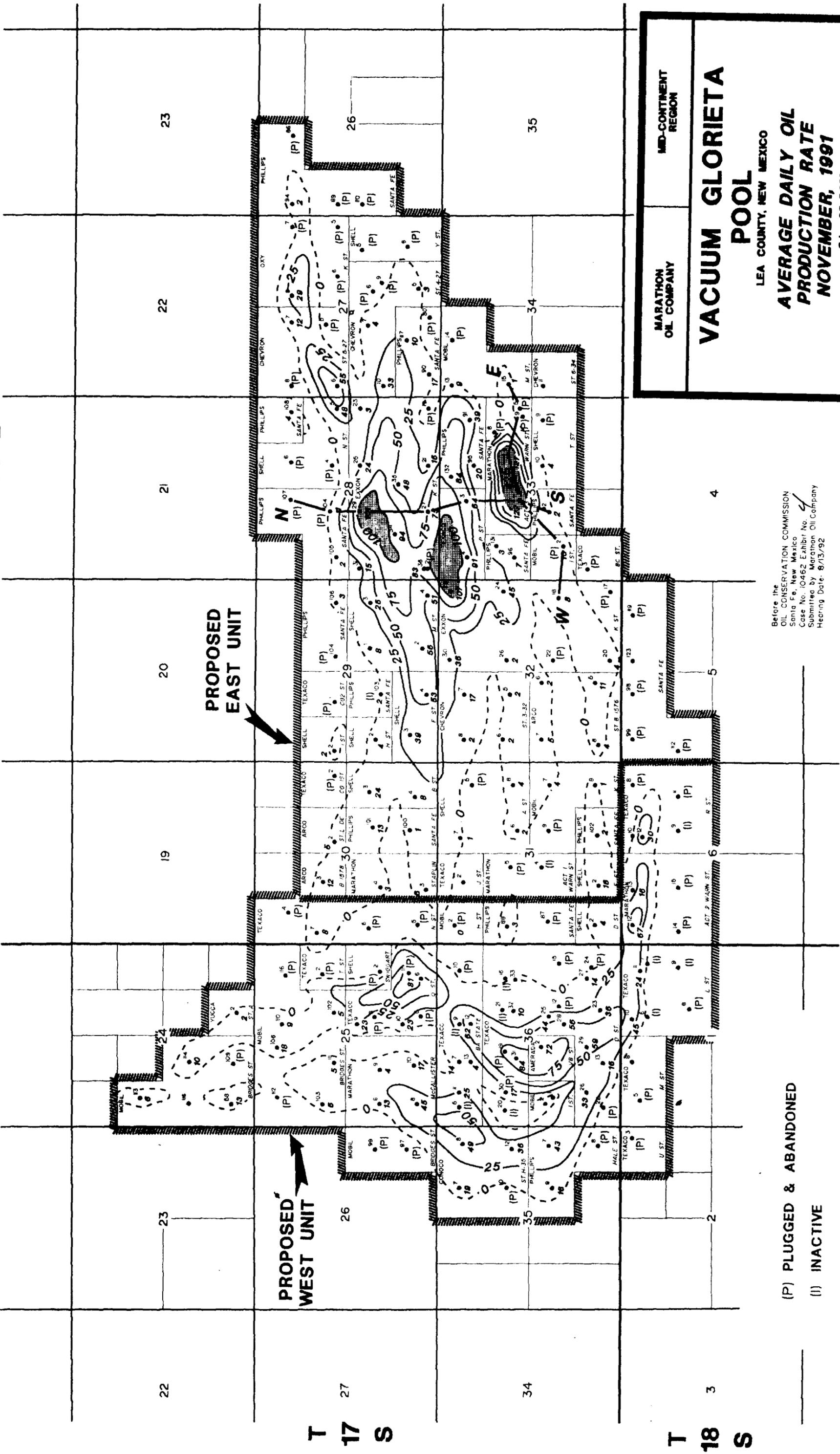
ORIGINAL SCALE: 1" = 2000'
 AUTHOR: J. CHAPMAN
 DRAFTED BY:

DATE: 3/82
 REVISED:
 PROJECT:

FILE LOC.: VAC.GLOW.RES.OPER

R 34 E

R 35 E



(P) PLUGGED & ABANDONED
 (I) INACTIVE

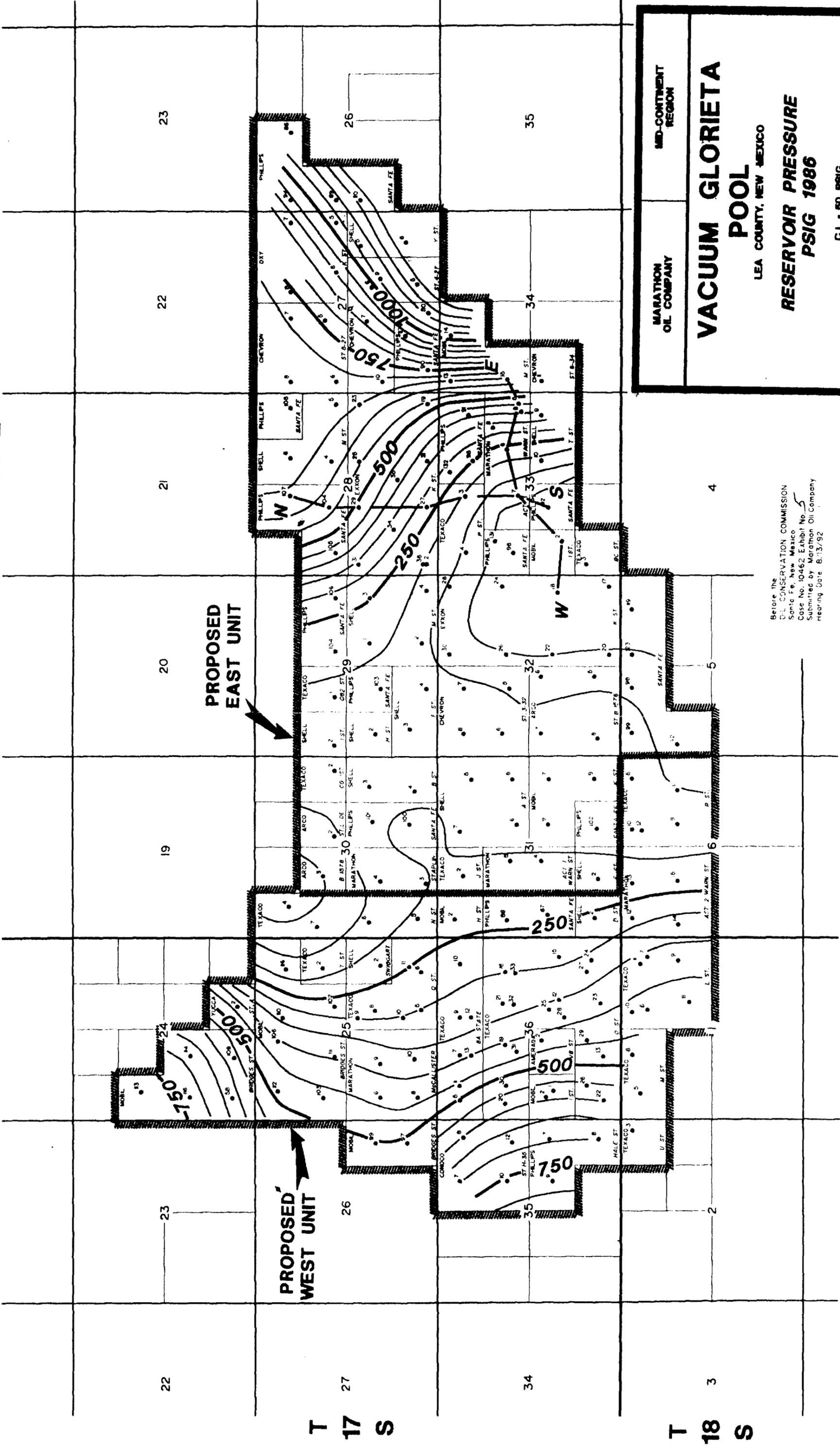
Before the
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Case No. 10462 Exhibit No. 4
 Submitted by Marathon Oil Company
 Hearing Date: 8/13/92



MARATHON OIL COMPANY	MID-CONTINENT REGION
VACUUM GLORIETA POOL	
LEA COUNTY, NEW MEXICO	
AVERAGE DAILY OIL PRODUCTION RATE NOVEMBER, 1991	
C.L. • 25 BOPO	
ORIGINAL SCALE: 1" = 2000'	DATE: 3/92
AUTHOR: J. CHAPMAN	REVISED:
DRAFTED BY:	PROJECT:
FILE LOC.: VAC & LOW RES OPER	

R 34 E

R 35 E



Before the
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Case No. 10462 Exhibit No. 5
 Submitted by Marathon Oil Company
 Hearing Date 8/13/92



MARATHON OIL COMPANY	MID-CONTINENT REGION
VACUUM GLORIETA POOL	
LEA COUNTY, NEW MEXICO	
RESERVOIR PRESSURE PSIG 1986	
C.L. • 80 P81G	
ORIGINAL SCALE: 1" = 2000'	DATE: 8/82
AUTHOR: C. KENT	REVISED:
DRAFTED BY:	PROJECT:
	FILE LOC.: VAC & LOW RES OPER

VACUUM GLORIETA POOL DATA SHEET

RESERVOIR DATA

DISCOVERY	JANUARY, 1963
POOL AREA	6,960 ACRES
DEPTH	5,950 '
INITIAL PRESSURE	2,260 PSI
CURRENT AVERAGE PRESSURE	350 PSI
WELL SPACING	40 ACRES
ALLOWABLE	107 BOPD
ACTIVE WELLS	121

CURRENT PRODUCTION (APRIL, 1992)

		EAST HALF	WEST HALF	TOTAL
OIL	(BOPD)	1,862	1,064	2,926
GAS	(MCFD)	1,439	2,347	3,786
WATER	(BWPD)	4,530	2,328	6,858
VOIDAGE	(RBPD)	24,742	18,696	43,438

CUMULATIVE RECOVERY

OIL	64.3 MMSTBO
GAS	78.7 BCF
WATER	40.7 MMBW
OOIP	171.7 MMSTBO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARATHON OIL COMPANY
EXHIBIT No. 6 CASE No. 10462
HEARING DATE: 8/13/92



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Area

November 5, 1991

**Proposed Vacuum Glorieta East Unit
Lea County, New Mexico
Working Interest Owners Meeting
October 24, 1991 - Minutes**

Before the
OIL CONSERVATION COMMISSION
State of New Mexico
Case No. 12462 Exhibit No. 8
Submitted By: Marathon
Filing Date: 8/13/92

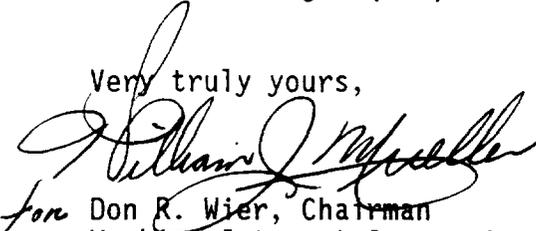
Working Interest Owners
Proposed Vacuum Glorieta East Unit

Attached are the minutes and attendance list from the subject meeting. Please advise of any corrections or additions. Of particular note in the minutes are the following:

- o Development Plan non-acceptance with current forecast and economics.
- o Removal of the following from the Parameter summary:
 - 1) Useable Wellbores
 - 2) Discounted (10%) Remaining Primary
 - 3) Discounted (10%) Ultimate Primary
 - 4) OOIP Less Ultimate Primary
 - 5) Marathon's Larger of OOIP Less Ultimate Primary or 24.1% OOIP.
- o Two-Tier Participation vs Two-Phase Participation.
- o Phillips Proposal - #17, where Yes plus Abstain total 90.18% for Tier I and 95.97% for Tier II.
- o Charge to Technical Committee to update all production parameters.

In view of the small negative vote on Proposal No. 17 a ballot is attached for your reconsideration. Sufficient approval would eliminate a 3 to 6 months delay while the Technical Committee redetermines remaining primary.

For additional data or information contact Susan Courtright (915) 368-1418 or Bill Mueller (915) 368-1313.

Very truly yours,

for Don R. Wier, Chairman
Working Interest Owners Committee

WJM:jj

Attachments

cc: Technical Committee Members w/Attachments

Return To:

Don R. Wier
Phillips Petroleum Company
4001 Penbrook Avenue
Odessa, Texas 79762

PROPOSED VACUUM GLORIETA EAST UNIT
LEA COUNTY, NEW MEXICO

BALLOT NO. 1 - PROPOSAL NO. 17

Phillips Proposal - #17 (October 24, 1991)

Two Tier - Basic Tier Conditions

Tier I: 75% 1990 Production
25% Remaining Primary 1/1/91

Tier II: 100% Net Pay

<u>Yes/No</u>	<u>Working Interest Owner</u>	<u>Unit Participation</u>	
		<u>Tier I</u>	<u>Tier II</u>
_____	ARCO	1.67253%	4.20188%
_____	McBee	0.20205%	0.21053%
_____	Chevron	7.54841%	14.80823%
_____	Exxon	34.32271%	17.52624%
_____	Marathon	11.60852%	6.59446%
_____	Mobil	0.79453%	5.58703%
_____	Oxy	2.29089%	4.20769%
_____	Phillips	9.99389%	18.96355%
_____	Shell	21.95149%	24.08025%
_____	Texaco	9.61496%	3.82003%
	Totals	100.00000%	100.00000%

WORKING INTEREST OWNER: _____

REPRESENTATIVE: _____

DATE: _____

**VACUUM GLORIETA EAST UNIT
WORKING INTEREST OWNERS**

ARCO OIL & GAS COMPANY
S. R. Keasler
P. O. Box 1610
Midland, TX 79702

CHEVRON U.S.A. INC.
John Prindle
P. O. Box 1150
Midland, TX 79702

EXXON COMPANY, U.S.A.
S. B. Dixon
P. O. Box 3116
Midland, TX 79702

EXXON COMPANY, U.S.A.
Donna M. Bauer
P. O. Box 3116
Midland, TX 79702

MARATHON OIL COMPANY
Paul J. Tauscher
P. O. Box 552
Midland, TX 79702

MARATHON OIL COMPANY
D. Loran
P. O. Box 552
Midland, TX 79702

MOBIL
Dan Burnham
P. O. Box 633
Midland, TX 79707

OXY U.S.A. INC.
Curtis Rogers
P. O. Box 50250
Midland, TX 79710

OXY U.S.A. INC.
Ed Behm
P. O. Box 50250
Midland, TX 79710

PHILLIPS PETROLEUM COMPANY
Don R. Wier
4001 Penbrook
Odessa, TX 79762

SHELL WESTERN E&P, INC.
J. H. Smitherman
P. O. Box 576
Houston, TX 77001

TEXACO, INC.
Richard Davis
P. O. Box 3109
Midland, TX 79702

TEXACO, INC.
Kent Johnson
P. O. Box 46555
Denver, CO 80237

THE MCBEE COMPANY
Bob McCarley
3738 Oak Lawn Avenue L.B. 200
Dallas, TX 75219

**VACUUM GLORIETA EAST UNIT
TECHNICAL COMMITTEE MEMBERS**

ARCO OIL & GAS COMPANY
Dave Newell
P. O. Box 1610
Midland, TX 79702

CHEVRON U.S.A. INC.
Paul J. Griffith
P. O. Box 1150
Midland, TX 79702

EXXON COMPANY, U.S.A.
Larry Carlson
P. O. Box 3116
Midland, TX 79702

MOBIL
Hai H. Nguyen
P. O. Box 633
Midland, TX 79702

PHILLIPS PETROLEUM COMPANY
Bill Mueller
4001 Penbrook
Odessa, TX 79762

SHELL WESTERN E&P, INC.
Bob Sykes
P. O. Box 576
Houston, TX 77001

PROPOSED VACUUM GLORIETA EAST UNIT
 WORKING INTEREST OWNER MEETING
 OCTOBER 24, 1991

NAME	COMPANY	ADDRESS	TELEPHONE #	FAX #
JAMES Gardner	chevron	Box 1150 Midland Tx	687-7347	
GREG GERMANI	Chevron	" "	687-7530	687-7666
Charlie Eppler	TEXACO	P.O. Box 3109 MIDLAND, TX 79707	688-4478	
Richard DAVIS	"	" "	688-4472	688-4473
DAN DUNHAM	"	" "	688-4482	"
Kathy Mahery	Phillips	4001 Pembroke, Odessa		
Hai Nguyen	MURFE	PO Box 633 Midland TX 79702	688-2073	
Dave Newell	ARCO	P.O. Box 1610 Midland, TX 79702	688-5446	
Jack Lowder	"	" "	688-5557	
Paul Tauscher	Marathon	P.O. Box 552 Midland 79702	682-1626	
Dick Pollard	"	" "	"	
Bonnie Champlin	Shell	P.O. Box 831 Hwy. TX 77001	870-3195	
Bob Sykes	Shell western	P.O. Box 576 Hwy TX 77001	713-870-3868	
Donna Bauer	Exxon	P.O. Box 1700 Midland, TX 79703	915-688-7134	
Reed Lavo	"	" "	915-688-7134	
Susan Courtright	Phillips	4001 Pembroke; Odessa, TX ⁷⁹⁷⁶²	368-1418	
Pat Culpepper	"	" "	368-1542	
Don Wier	"	" "	368-1203	
DAN Burnham	Mobil	P.O. Box 633 Midland 79702	688-2041	
Danny Requeno	V	" "	688-2112	
Ed Behm	OXY	P.O. Box 50250 Midland 79701		
Kent L. Johnson	Texaco	PO Box 46515, Denver, Co 80201	303-793-4428	

**PROPOSED VACUUM GLORIETA EAST UNIT
WORKING INTEREST OWNERS MEETING
OCTOBER 24, 1991 MINUTES**

Bill Mueller, Phillips, opened meeting and asked for additions/revisions to the agenda. There were none.

Bill Mueller, Phillips, stated that no recommended changes to the August 23, 1991 meeting minutes had been received. Dave Newell, ARCO, moved minutes be accepted, Richard Davis, Texaco, seconded and the motion passed.

The Development Plan, as approved by the Technical Committee for submission to the Working Interest Owners in fulfillment of their charges from the March 21, 1991 meeting, was discussed. Chevron, Marathon and Mobil all expressed concerns with their project economics possibly not meeting the economic hurdles under their 1992 constrained budgets. These operators stated a desire for an like-kind trade of their interests. Phillips said they would evaluate any trade offer for working interest in non-operated properties and requested a preferential list from these operators. Don Wier, Phillips, moved to accept the Development as fulfillment of previous charges. Richard Davis, Texaco, seconded, however, the consensus was to not take a vote until subsequent participation negotiations were completed.

Corrected participation parameter summaries were distributed. These reflected minor changes in the Shell-Texaco trade and a +0.2 foot correction in net pay.

Ed Behm, Oxy, moved to remove the parameter - OOIP Less Ultimate Primary from the parameter summary as not having Technical Committee support. Paul Tauscher, Marathon, seconded.

<u>WORKING INTEREST OWNER</u>	<u>CUMULATIVE PRODUCTION 1/1/90 %</u>	<u>VOTE</u>	
ARCO	3.27955%	ABS	
MCBEE	0.32485%	-	
CHEVRON	11.90790%	NO	
EXXON	21.28101%	YES	
MARATHON	7.04773%	YES	
MOBIL	2.78295%	NO	
OXY	4.97941%	YES	
PHILLIPS	18.34472%	NO	
SHELL	25.97015%	YES	
TEXACO	4.08173%	YES	
TOTALS	<u>100.00000%</u>		
			<u>TOTALS</u>
			YES - 63.36%
			NO - 33.04%
			ABS. - 3.28%
			<u>MOTION FAILED</u>

Bob Sykes, Shell, moved to remove the parameter - Useable Wellbores from the parameter summary as not being representative. Reed Lang, Exxon, seconded.

<u>WORKING INTEREST OWNER</u>	<u>CUMULATIVE PRODUCTION 1/1/90 %</u>	<u>VOTE</u>	
ARCO	3.27955%	No	<u>TOTALS</u>
MCBEE	0.32485%	-	
CHEVRON	11.90790%	YES	YES - 75.27%
EXXON	21.28101%	YES	NO - 24.41%
MARATHON	7.04773%	YES	
MOBIL	2.78295%	NO	
OXY	4.97941%	YES	
PHILLIPS	18.34472%	NO	<u>MOTION</u>
SHELL	25.97015%	YES	<u>PASSED</u>
TEXACO	4.08173%	YES	
TOTALS	100.00000%		

Reed Lang, Exxon, moved to incorporate - Discounted (10%) Remaining Primary Reserves and Discounted (10%) Ultimate Primary Recovery into the parameter summary. Paul Tauscher, Marathon, seconded.

<u>WORKING INTEREST OWNER</u>	<u>CUMULATIVE PRODUCTION 1/1/90 %</u>	<u>VOTE</u>	
ARCO	3.27955%	YES	<u>TOTALS</u>
MCBEE	0.32485%	-	
CHEVRON	11.90790%	YES	YES - 62.29%
EXXON	21.28101%	NO	NO - 37.39%
MARATHON	7.04773%	NO	
MOBIL	2.78295%	YES	
OXY	4.97941%	NO	
PHILLIPS	18.34472%	YES	<u>MOTION</u>
SHELL	25.97015%	YES	<u>FAILED</u>
TEXACO	4.08173%	NO	
TOTALS	100.00000%		

Ed Behm, Oxy, moved to incorporate - OOIP Less Ultimate Primary into the parameter summary. Bob Sykes, Shell, seconded.

<u>WORKING INTEREST OWNER</u>	<u>CUMULATIVE PRODUCTION 1/1/90 %</u>	<u>VOTE</u>	
ARCO	3.27955%	NO	<u>TOTALS</u>
MCBEE	0.32485%	-	
CHEVRON	11.90790%	YES	YES - 33.04%
EXXON	21.28101%	NO	NO - 66.64%
MARATHON	7.04773%	NO	
MOBIL	2.78295%	YES	
OXY	4.97941%	NO	
PHILLIPS	18.34472%	YES	<u>MOTION</u>
SHELL	25.97015%	NO	<u>FAILED</u>
TEXACO	4.08173%	NO	
TOTALS	100.00000%		

Richard Davis, Texaco, moved to incorporate Marathon's parameter - Larger of OOIP Less Ultimate Primary or 24.1% OOIP into the parameter summary. Ed Behm, Oxy, seconded.

<u>WORKING INTEREST OWNER</u>	<u>CUMULATIVE PRODUCTION 1/1/90 %</u>	<u>VOTE</u>	
ARCO	3.27955%	YES	<u>TOTALS</u>
MCBEE	0.32485%	-	
CHEVRON	11.90790%	YES	YES - 41.29%
EXXON	21.28101%	NO	NO - 51.33%
MARATHON	7.04773%	ABS	
MOBIL	2.78295%	YES	
OXY	4.97941%	YES	
PHILLIPS	18.34472%	YES	<u>MOTION FAILED</u>
SHELL	25.97015%	NO	
TEXACO	4.08173%	NO	
TOTALS	<u>100.00000%</u>		

Reed Lang, Exxon, moved to incorporate all remaining parameters as stated in the current distributed parameter summary. Paul Tauscher, Marathon, seconded.

<u>WORKING INTEREST OWNER</u>	<u>CUMULATIVE PRODUCTION 1/1/90 %</u>	<u>VOTE</u>	
ARCO	3.27955%	YES	<u>TOTALS</u>
MCBEE	0.32485%	-	
CHEVRON	11.90790%	ABS	YES - 84.98%
EXXON	21.28101%	YES	NO - 0.00%
MARATHON	7.04773%	YES	
MOBIL	2.78295%	ABS	
OXY	4.97941%	YES	
PHILLIPS	18.34472%	YES	<u>MOTION PASSED</u>
SHELL	25.97015%	YES	
TEXACO	4.08173%	YES	
TOTALS	<u>100.00000%</u>		

Bill Mueller, Phillips, presented the basic conditions for a possible Two-Tier Participation as opposed to a Two-Phase Participation. Tier Participations would run concurrently whereas Phase Participations run consecutively. The Tier I would keep the remaining primary whole while the Tier II would permit an early return on investments. The basic Tier conditions presented were:

- 1) Tier I to be the monthly volume of oil equal to the Technical Committee's remaining primary forecast updated to January 1, 1991, and not to exceed 6,894,990 Bbls total.
- 2) Tier II to be the net cumulative monthly oil volume that exceeds the Tier I volume. All produced gas to be directly proportioned between the two tiers.
- 3) All investments to be allocated on the Tier II participation.
- 4) All clearly definable enhanced recovery expenses, e.g. injectant costs, injection well workovers, injection well overhead and operating costs, etc. to be allocated on Tier II participation.
- 5) All production expenses, e.g. producing well workovers, overhead, operating costs, production facilities expenses, etc., to be directly proportioned between the two tiers as the monthly production allocation.
- 6) All inventory adjustments to be on Tier II participation.

Negotiations on Unit Participation proceeded as follows:

Exxon Proposal - #16

Two Tier - Basic Conditions

Tier I: 50% 1990 Production
50% Remaining Primary 1/1/91

Tier II: 100% Volumetric OOIP

<u>WORKING INTEREST OWNER</u>	<u>UNIT PARTICIPATION</u>		<u>VOTE</u>	
	<u>TIER I</u>	<u>TIER II</u>		
ARCO	1.54260%	4.05143%	ABS	<u>YES TOTALS</u>
MCBEE	0.21450%	0.20057%	-	
CHEVRON	7.59689%	14.43308%	ABS	TIER I - 46.31546%
EXXON	33.72246%	19.41961%	YES	TIER II - 27.24156%
MARATHON	11.50774%	6.59290%	NO	<u>ABSTAINED</u>
MOBIL	0.65095%	5.75996%	NO	
OXY	2.39765%	3.04402%	YES	
PHILLIPS	8.91720%	18.82109%	NO	
SHELL	23.25465%	22.89941%	ABS	TIER I - 32.39414%
TEXACO	<u>10.19535%</u>	<u>4.77793%</u>	YES	TIER II - 41.38392%
TOTALS	100.00000%	100.00000%		

Phillips Proposal - #17

Two Tier - Basic Conditions

Tier I: 75% 1990 Production
25% Remaining Primary 1/1/91

Tier II: 100% Net Pay

<u>WORKING INTEREST OWNER</u>	<u>UNIT PARTICIPATION</u>		<u>VOTE</u>	
	<u>TIER I</u>	<u>TIER II</u>		
ARCO	1.67253%	4.20188%	YES	<u>YES TOTALS</u>
MCBEE	0.20205%	0.21053%	-	
CHEVRON	7.54841%	14.80823%	ABS	TIER I - 13.95731%
EXXON	34.32271%	17.52624%	ABS	TIER II - 27.37323%
MARATHON	11.60852%	6.59446%	ABS	<u>ABSTAINED</u>
MOBIL	0.79453%	5.58703%	ABS	
OXY	2.29089%	4.20769%	YES	TIER I - 76.22566%
PHILLIPS	9.99389%	18.96365%	YES	TIER II - 68.59621%
SHELL	21.95149%	24.08025%	ABS	
TEXACO	9.61496%	3.82003%	NO	
TOTALS	100.00000%	100.00000%		

Texaco Proposal - #18

Two Tier - Basic Conditions

Tier I: 50% 1990 Production
50% Remaining Primary 1/1/91

Tier II: 95% Volumetric OOIP
5% Acreage

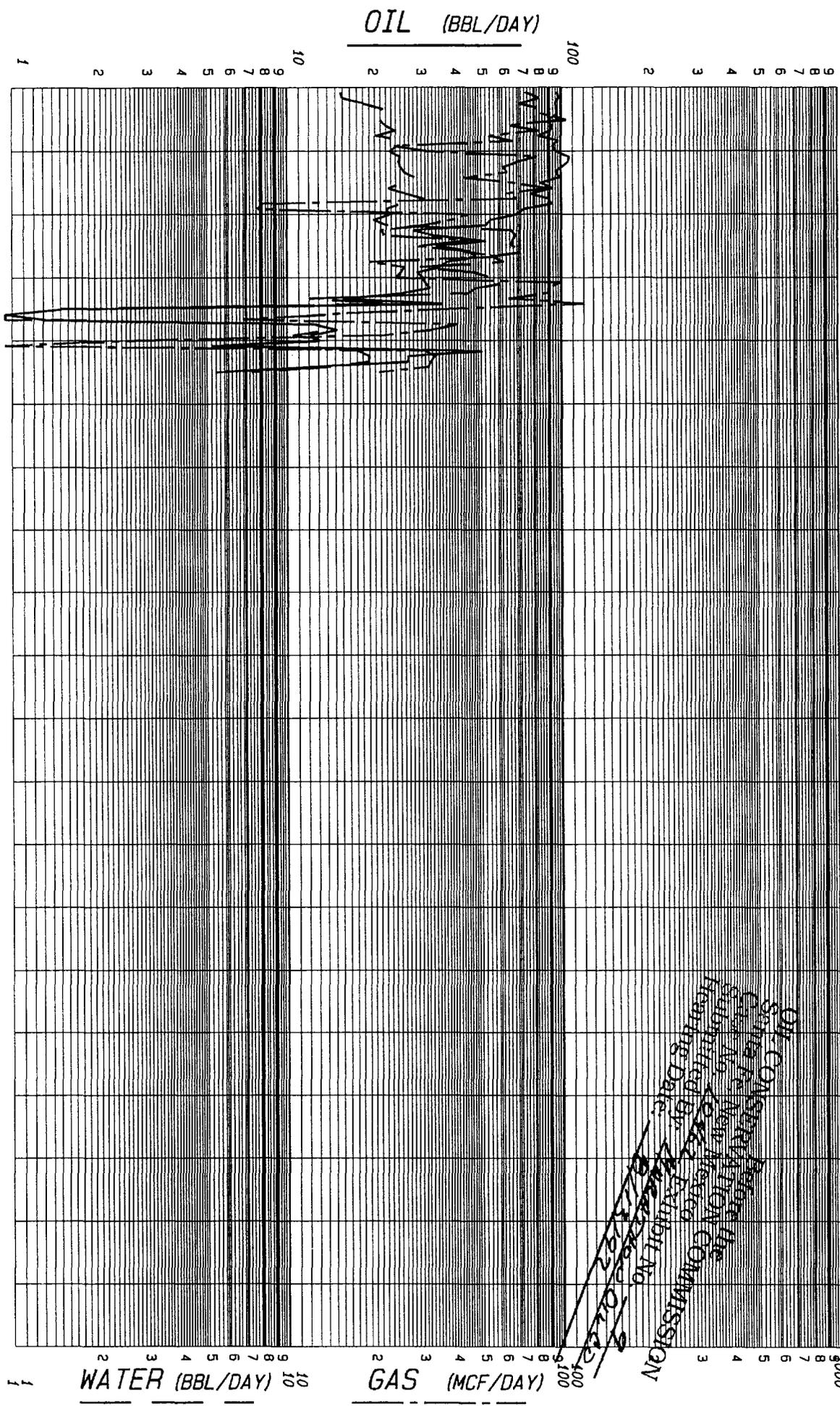
<u>WORKING INTEREST OWNER</u>	<u>UNIT PARTICIPATION</u>		<u>VOTE</u>	
	<u>TIER I</u>	<u>TIER II</u>		
ARCO	1.54260%	4.11617%	ABS	<u>YES TOTALS</u>
MCBEE	0.21450%	0.20626%	-	
CHEVRON	7.59689%	14.32466%	ABS	TIER I - 46.31546%
EXXON	33.72246%	19.20339%	YES	TIER II - 27.24156%
MARATHON	11.50774%	6.59346%	NO	<u>ABSTAINED</u>
MOBIL	0.65095%	5.80216%	NO	
OXY	2.39765%	3.08050%	YES	TIER I - 41.31134%
PHILLIPS	8.91720%	19.05910%	ABS	TIER II - 60.32074%
SHELL	23.25465%	22.82081%	ABS	
TEXACO	10.19535%	4.79348%	YES	
TOTALS	100.00000%	100.00000%		

Reed Lang, Exxon, moved to adjourn and reconvene the Technical Committee to update all production parameters - current production, cumulative production, remaining primary, and ultimate primary; and to also review the production forecast. Dick Pollard, Marathon, seconded and all agreed.

1000 Lease: WARM STATE AC 3

000005 Dwight's ENERGYDATA Inc.

Retrieval Code: 150, 025, 17535E33HP1G1



F.P. Date

COUNTY:	LEA	State:	NM
Field:	VACUUM (GLORITA)		GL
Reservoir:	GLORITA		
Operator:	MARATHON OIL CO		
D1 Cum:	232054	Gas Cum:	178041
Location:	33H 17S 35E		

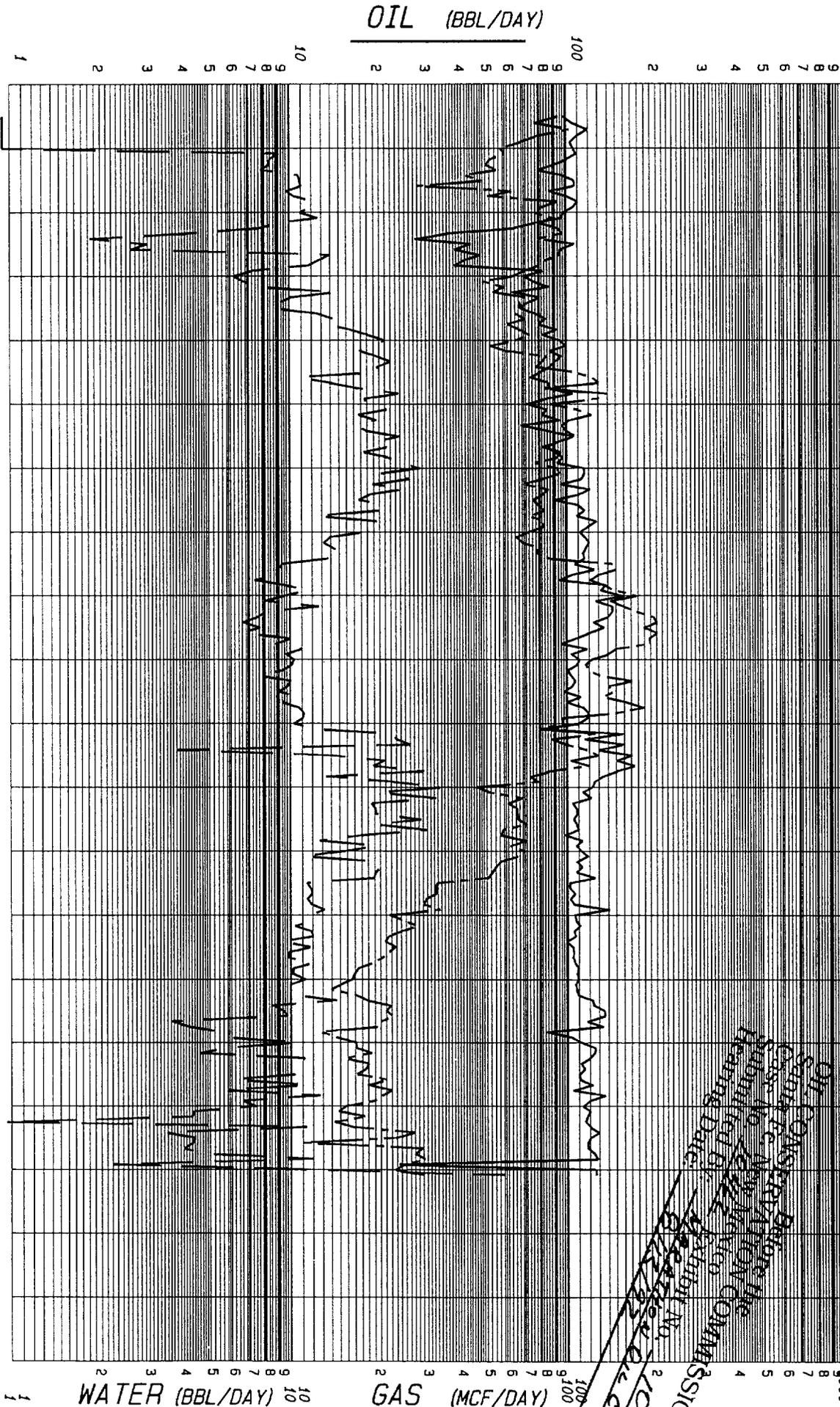
Date: 08-08-92

OIL COMPANY
 State of New Mexico
 Submit to New Mexico
 Heating Date: 8/23/92
 Permit No. 823182
 OIL CO
 COMMISSION

1000 Lease: MANN STATE AC 3

000006 Dwight's ENERGYDATA Inc.

Retrieval Code: 150, 025, 17S35E33G006L



OIL CONSERVATION
 STATE OF NEW MEXICO
 DIVISION OF OIL AND GAS
 225 N. 1ST ST. N.W.
 ALBUQUERQUE, N.M. 87102
 DATE: 08-08-92
 BY: [Signature]
 TITLE: [Signature]

Annual Data

66- 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94

F.P. Date

County: LEA
 Field: VACUUM (GLORIENTA)
 Reservoir: GLORIENTA
 Operator: MARATHON OIL CO
 Oil Cum: 951984
 Location: 336 17S 35E
 State: NM
 GL
 Cum: 715720

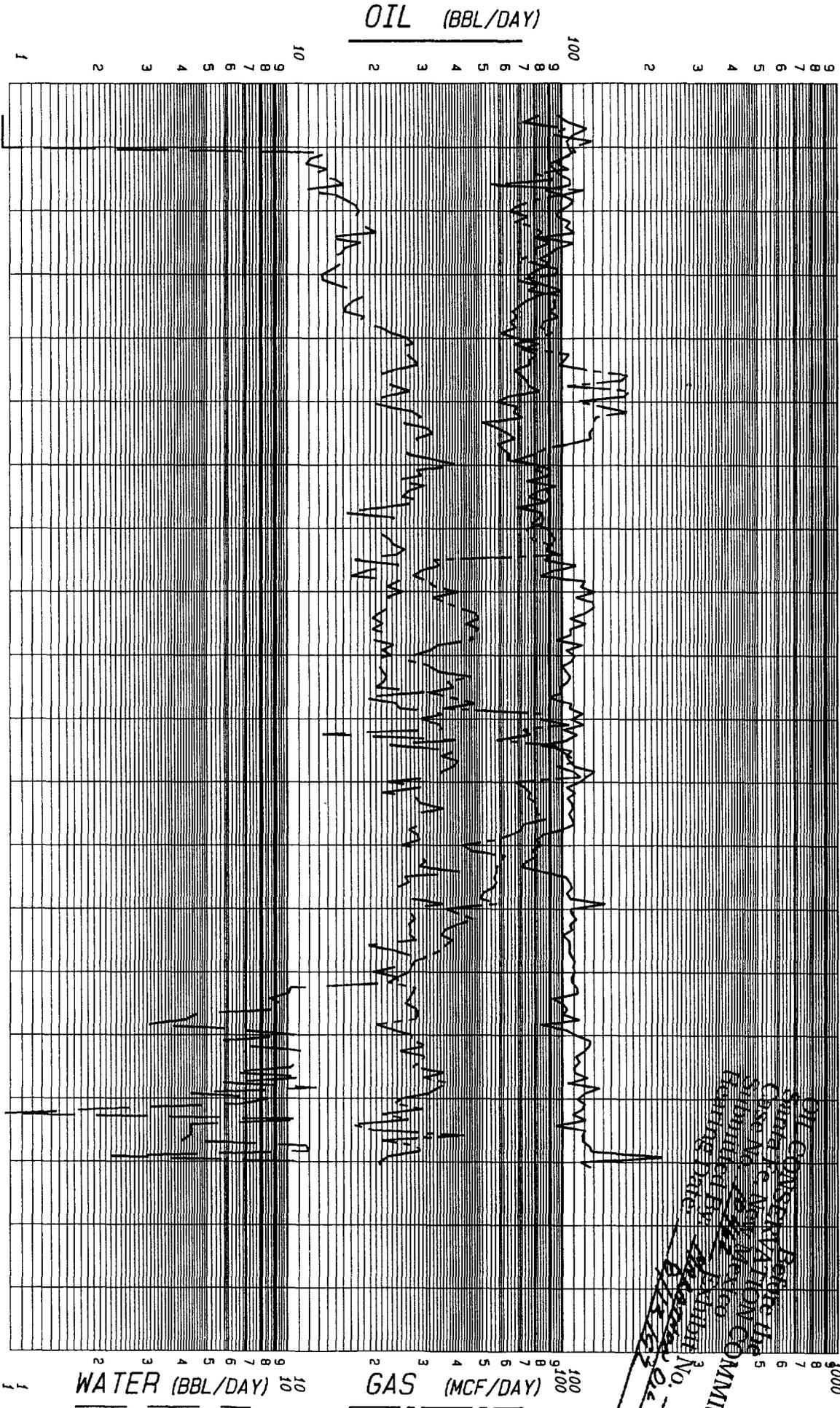
Date: 08-08-92

1000 Lease: WARM STATE AC 3

000007

Dwight's ENERGYDATA Inc.

Retrieval Code: 150, 025, 17335E33F006L



Oil Consistent Basis
 State of New Mexico
 State Oil Conservation Commission
 Approved by
 Date: 08-08-92
 No. 11
 08-08-92

Annual Data

66- 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94

F. P. Date

County: LEA
 Field: VACUUM (GLOBIETA)
 Reservoir: GLOBIETA
 Operator: MARATHON OIL CO
 Oil Cum: 937829 175 35E
 Location: 35E 17S 35E
 State: NM
 GL
 Cum: 681727

Date: 08-08-92

WATER (BBL/DAY)

GAS (MCF/DAY)

OIL (BBL/DAY)

1000 Lease: SANTA FE

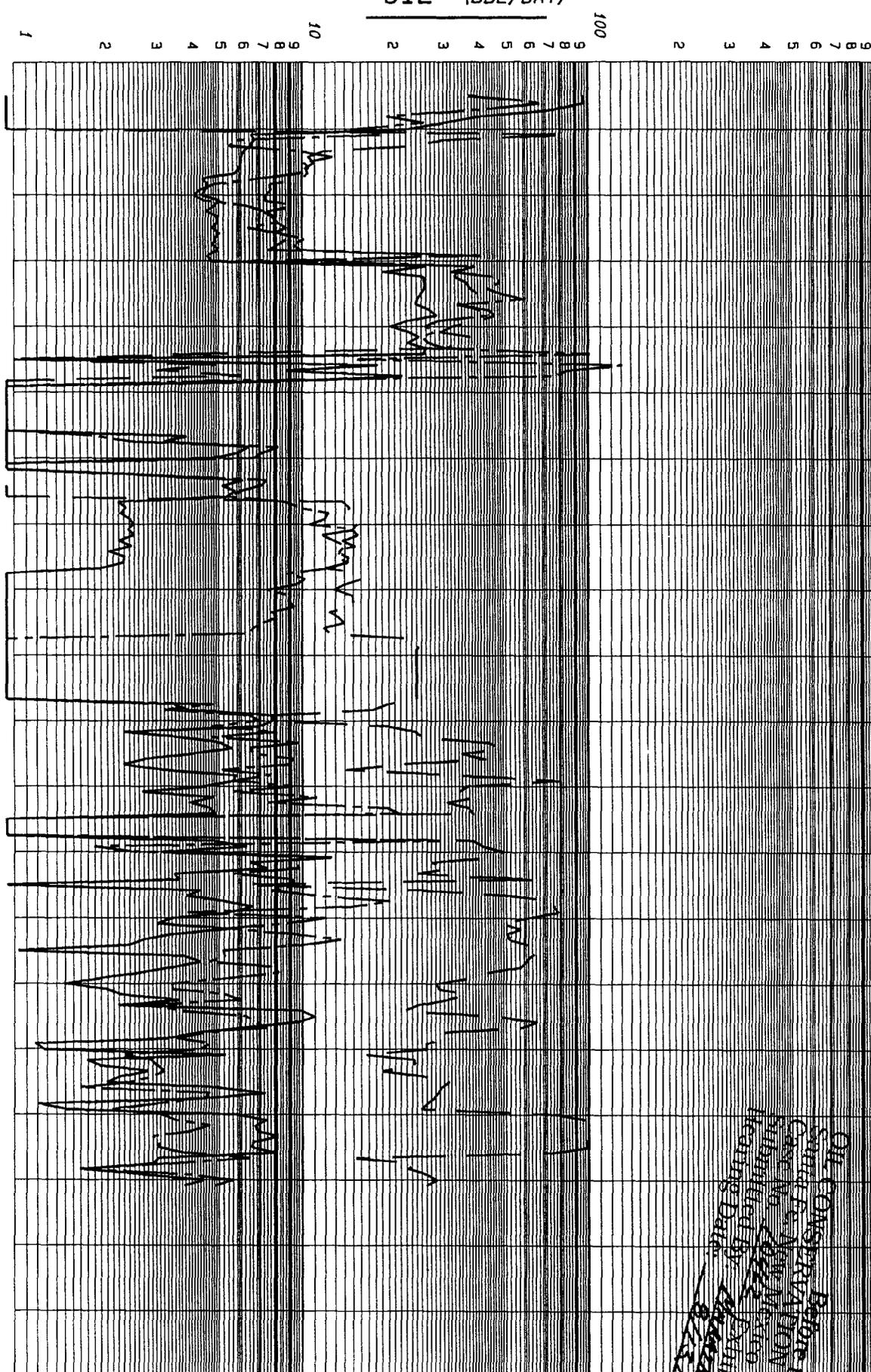
000105

Dwight's [ENERGYDATA] Inc.

Retrieval Code: 150, 025, 17535528E00GL

1000

OIL (BBL/DAY)



Annual Data

F. P. Date

County:	LEA	State:	NM
Field:	VACUUM (GL ORIETA)		GL
Reservoir:	GL ORIETA		
Operator:	PHILLIPS PETROLEUM CO		
Oil Cum:	294901	Gas Cum:	211629
Location:	28E 17S 35E		

Date: 08-08-92

Oil COMS... Below the
 State...
 Case No. 2000-1000
 Submitted by...
 Recurring Date: 8/13/92
 Exhibit No. 12
 8/13/92

GAS (MCF/DAY)

WATER (BBL/DAY)

1

RESERVOIR VOIDAGE CALCULATION

VOIDAGE IS THE VOLUME OF THE PRODUCED FLUIDS, CORRECTED FOR RESERVOIR PRESSURE AND TEMPERATURE.

EXAMPLE – WARN ST A/C 3 No. 6

PRESSURE	182 PSIG
OIL FORMATION VOLUME FACTOR (Bo)	1.15 RBBL/STBO
WATER FORMATION VOLUME FACTOR (Bw)	1.01 RBBL/STBW
GAS FORMATION VOLUME FACTOR (Bg)	15.9 RBBL/MSCF
SOLUTION GOR (Rs)	0.183 MSCF/STBO
OIL RATE	89.4 STBOPD
WATER RATE	33.4 STBWPD
GAS RATE	17.5 MSCFD

OIL VOLUME = OIL RATE * Bo
OIL VOLUME = 89.4 STBOPD * 1.15 RBBL/STBO
OIL VOLUME = 102.8 RBPDP

WATER VOLUME = WATER RATE * Bw
WATER VOLUME = 33.4 STBWPDP * 1.01 RBBL/STBW
WATER VOLUME = 33.7 RBPDP

GAS VOLUME = (GAS RATE – (OIL RATE * Rs)) * Bg
GAS VOLUME = (17.5 MSCFD – (89.4 STBOPDP * 0.183 MSCF/STBO))
* 15.9 RBBL/MSCF
GAS VOLUME = 18.1 RBPDP

VOIDAGE = OIL VOLUME + WATER VOLUME + GAS VOLUME
VOIDAGE = 102.8 RBPDP + 33.7 RBPDP + 18.1 RBPDP
VOIDAGE = 154.6 RBPDP

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARATHON OIL COMPANY
EXHIBIT No. 14 CASE No. 10462
HEARING DATE: 8/13/92

VOGEL IPR CALCULATION

IN 1968 VOGEL DERIVED AN EMPIRICAL EQUATION FOR THE IPR CURVE FOR A WELL IN A DEPLETION DRIVE RESERVOIR WHERE THE AVERAGE RESERVOIR PRESSURE IS LESS THAN THE BUBBLE POINT PRESSURE. THIS METHOD HAS PROVEN TO BE APPLICABLE IN RESERVOIRS WITH VARIOUS DRIVE MECHANISMS.

VOGEL'S EQUATION

$$\frac{Q}{Q'} = 1 - 0.2 \left(\frac{P_{wf}}{P_r} \right) - 0.8 \left(\frac{P_{wf}}{P_r} \right)^2$$

EXAMPLE – WARN ST A/C 3 No. 7

Q	107 BFPD
Pr	216 PSIG
Pwf	138 PSIG
OIL CUT	55 %

CALCULATE Q'

$$Q' = Q / \left[1 - 0.2 \left(\frac{P_{wf}}{P_r} \right) - 0.8 \left(\frac{P_{wf}}{P_r} \right)^2 \right]$$

$$Q' = 107 \text{ BFPD} / \left[1 - 0.2 \left(\frac{138 \text{ PSIG}}{216 \text{ PSIG}} \right) - 0.8 \left(\frac{138 \text{ PSIG}}{216 \text{ PSIG}} \right)^2 \right]$$

$$Q' = 196 \text{ BFPD}$$

CALCULATE Q AT Pwf = 40 PSIG

$$Q = \left[1 - 0.2 \left(\frac{P_{wf}}{P_r} \right) - 0.8 \left(\frac{P_{wf}}{P_r} \right)^2 \right] * Q'$$

$$Q = \left[1 - 0.2 \left(\frac{40 \text{ PSIG}}{216 \text{ PSIG}} \right) - 0.8 \left(\frac{40 \text{ PSIG}}{216 \text{ PSIG}} \right)^2 \right] * 196 \text{ BFPD}$$

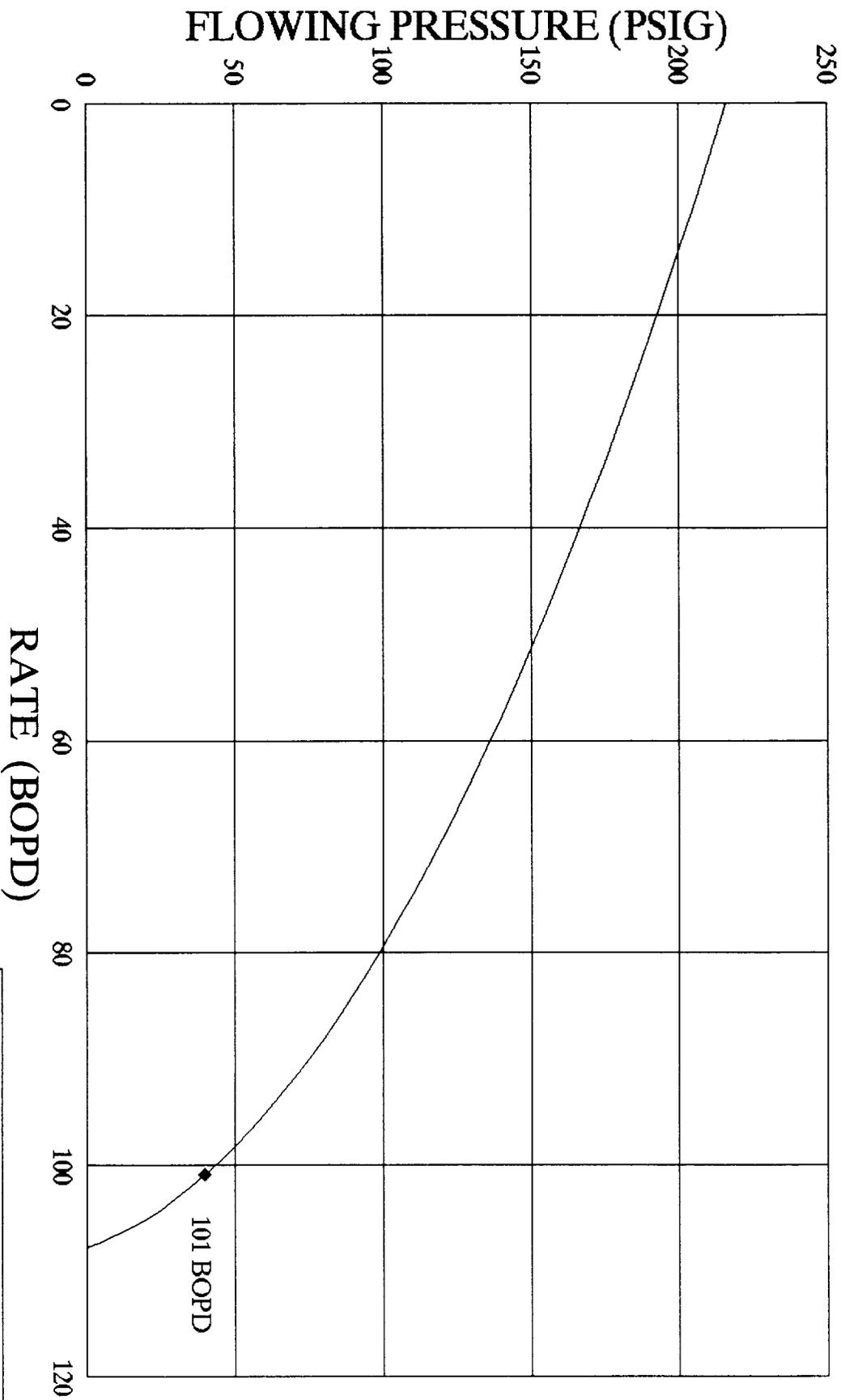
$$Q = 183 \text{ BFPD}$$

$$Q = 101 \text{ BOPD}$$

BEFORE THE
 OIL CONSERVATION COMMISSION
 SANTA FE, NEW MEXICO
 MARATHON OIL COMPANY
 EXHIBIT No. 15 CASE No. 10462
 HEARING DATE: 8/13/92

WARN ST A/C 3 No. 7

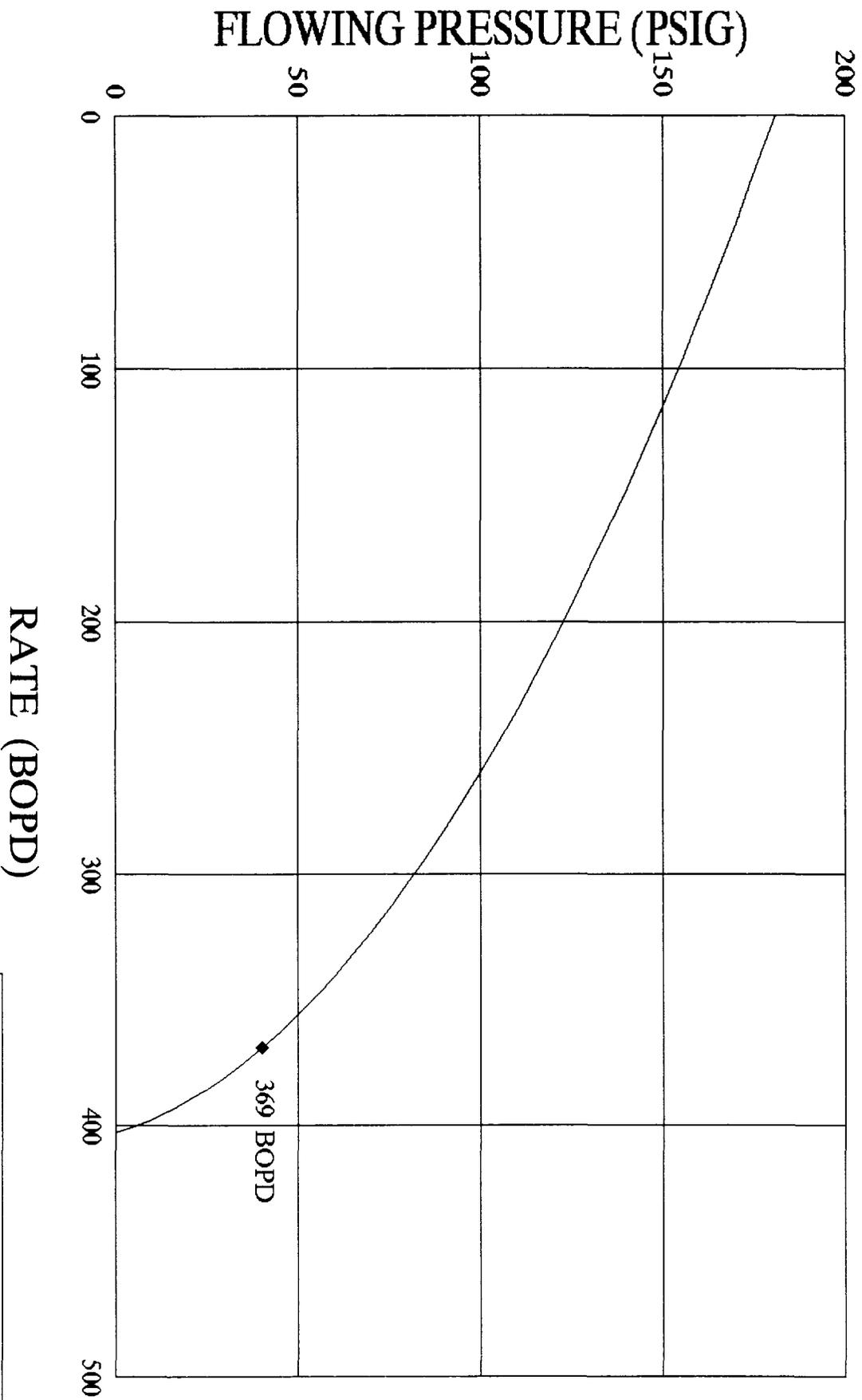
VOGEL ANALYSIS



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARTHON OIL COMPANY
EXHIBIT No. 76 CASE No. 10462
HEARING DATE: 8/13/92

WARN ST A/C 3 No. 6

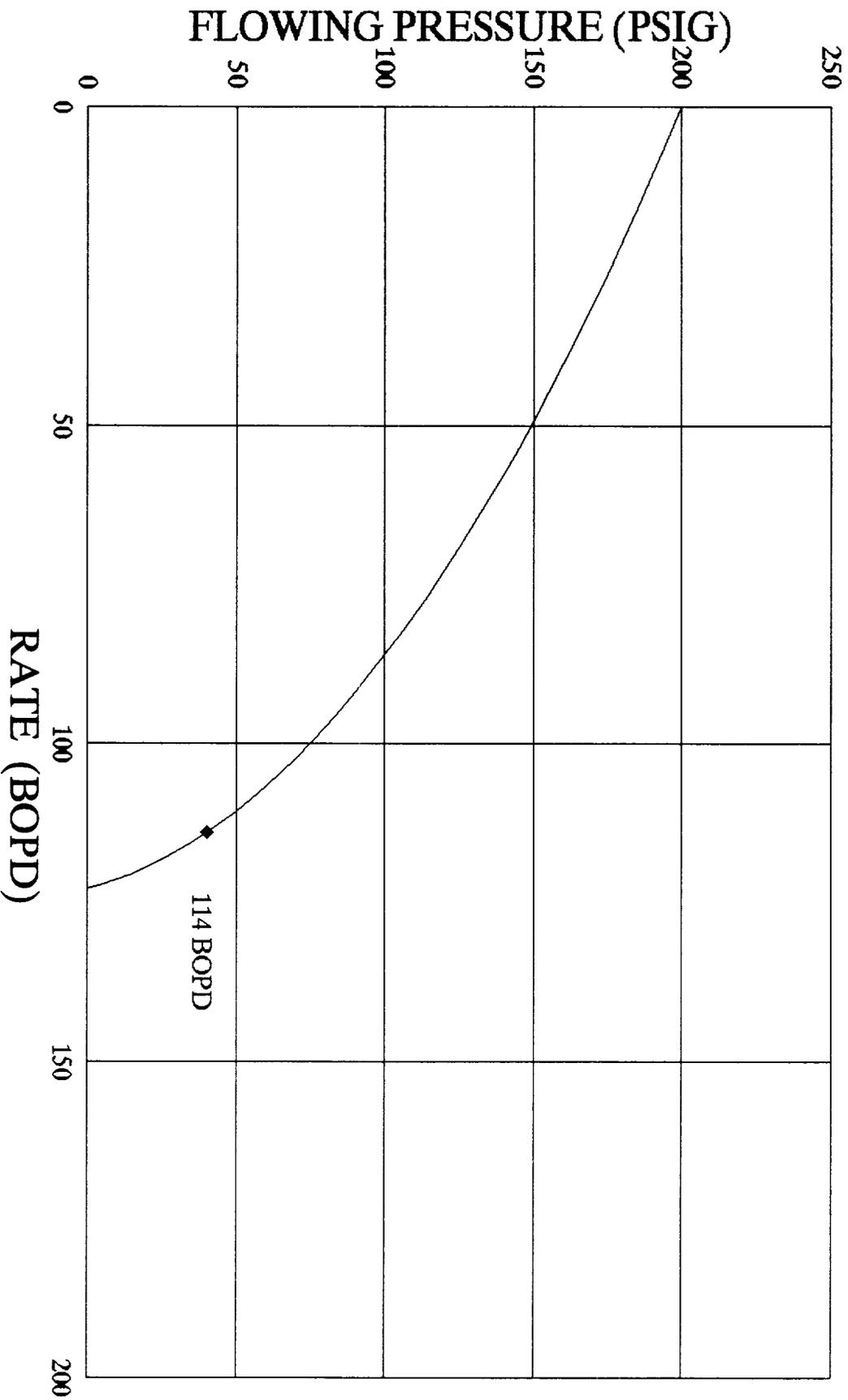
VOGEL ANALYSIS



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARTHON OIL COMPANY
EXHIBIT No. 17 CASE No. 10462
HEARING DATE: 8/13/92

NEW MEXICO STATE K No. 36

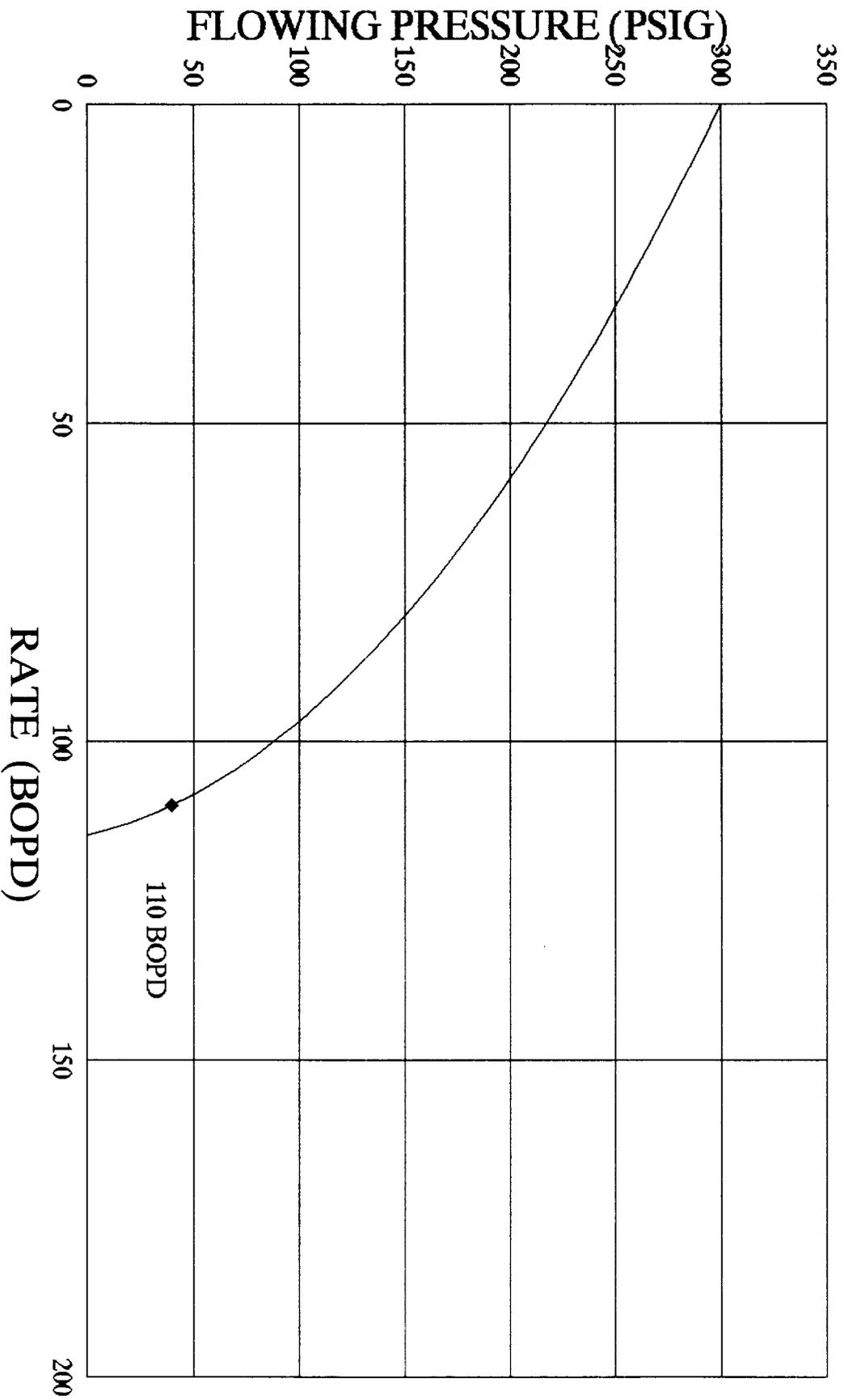
VOGEL ANALYSIS



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARTHON OIL COMPANY
EXHIBIT No. 13 CASE No. 10462
HEARING DATE: 8/13/92

NEW MEXICO STATE K No. 34

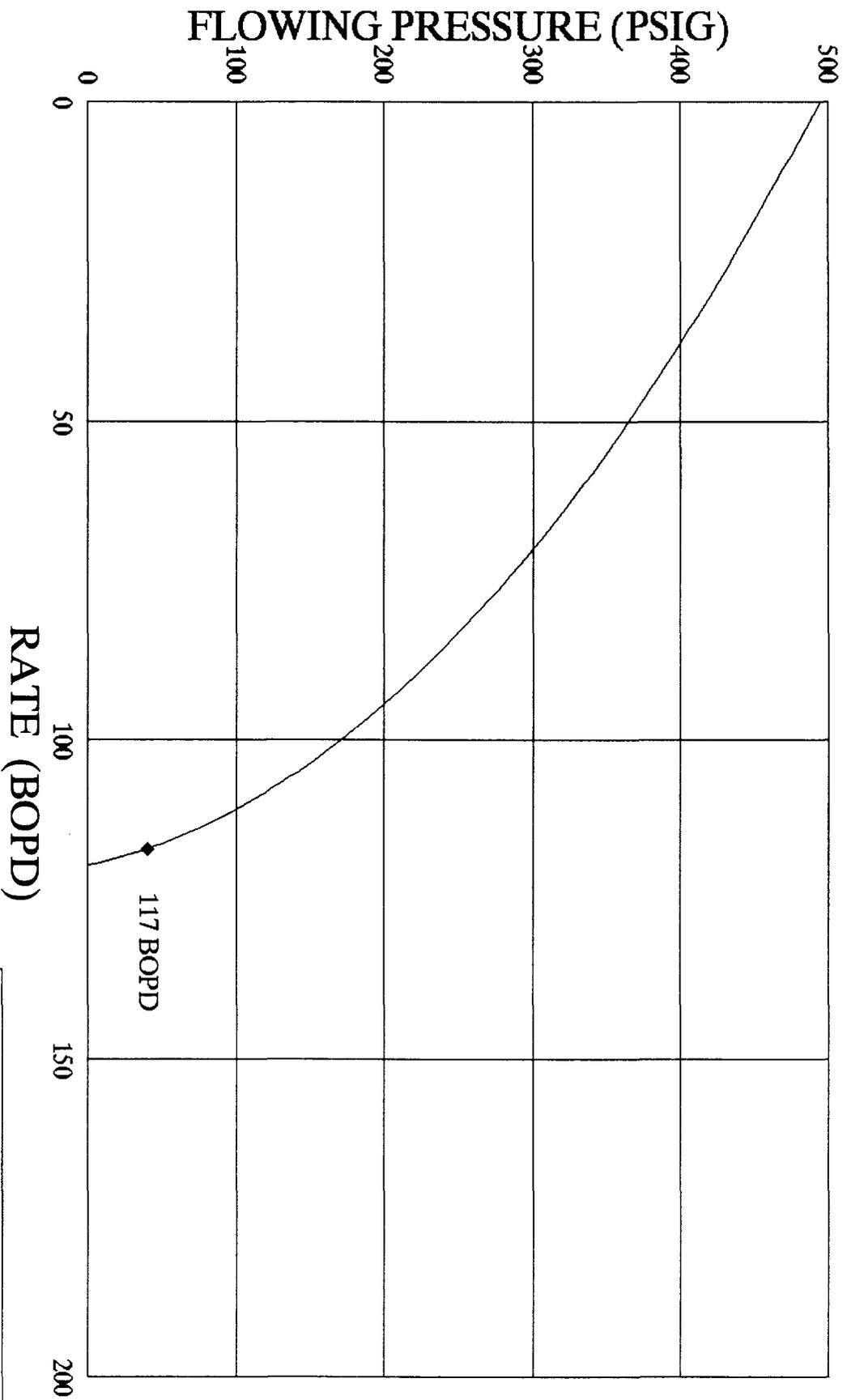
VOGEL ANALYSIS



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARTHON OIL COMPANY
EXHIBIT No. 18 CASE No. 10462
HEARING DATE: 8/13/92

NEW MEXICO STATE K No. 29

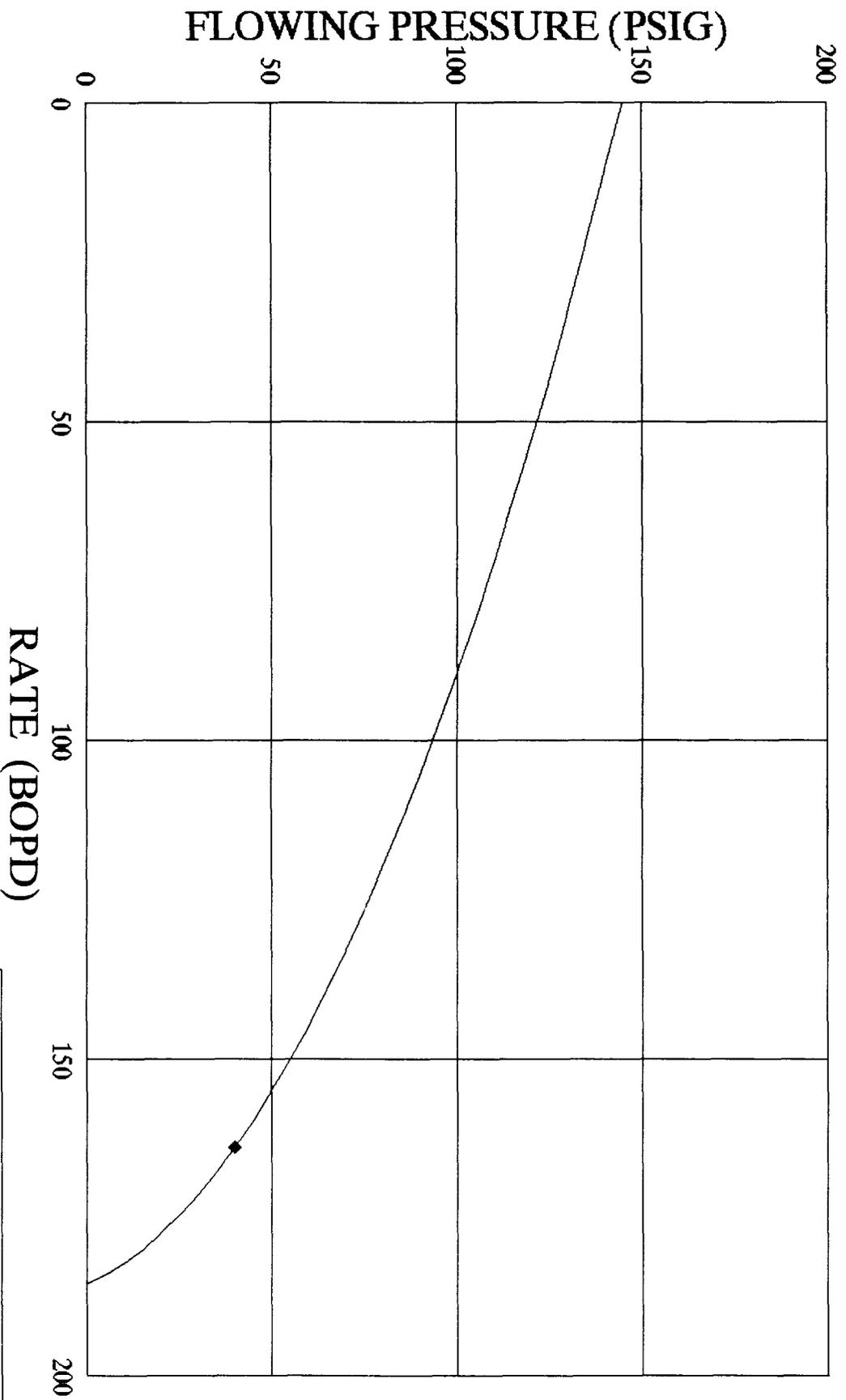
VOGEL ANALYSIS



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARTHON OIL COMPANY
EXHIBIT No. 20 CASE No. 10462
HEARING DATE: 8/13/92

NEW MEXICO STATE K No. 28

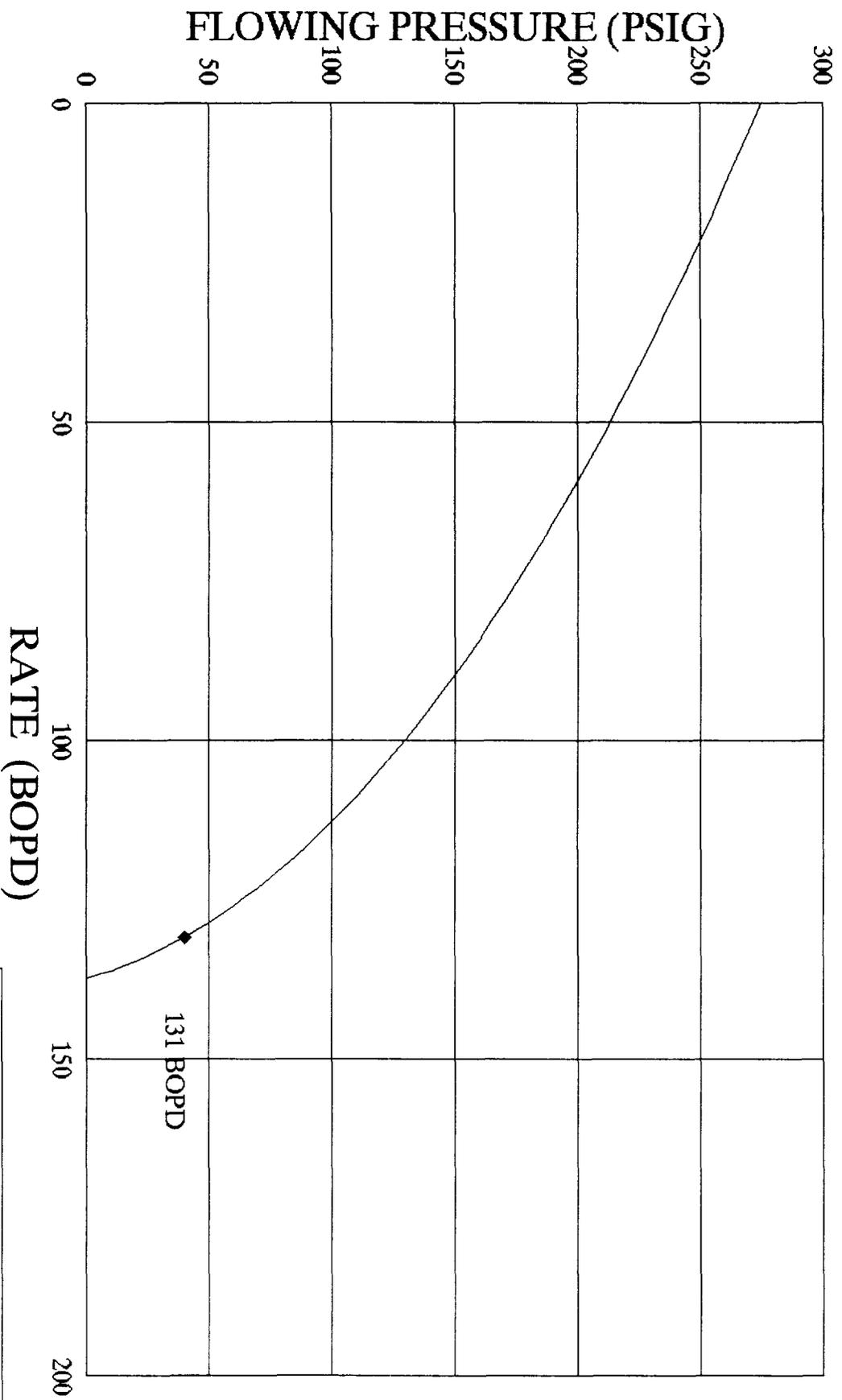
VOGEL ANALYSIS



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARTHON OIL COMPANY
EXHIBIT No. 21 CASE No. 10462
HEARING DATE: 8/13/92

NEW MEXICO STATE K No. 27

VOGEL ANALYSIS



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARTHON OIL COMPANY
EXHIBIT No. **22** CASE No. 10462
HEARING DATE: 8/13/92

VOIDAGE SUMMARY

	PROJECTED INCREASE			
	OIL BOPD	GAS MCFD	WATER BWPD	VOIDAGE RBPD
STATE K No. 27	43	10	89	139
STATE K No. 28	54	15	0	183
STATE K No. 29	17	7	27	56
STATE K No. 34	0	0	0	0
STATE K No. 36	16	7	2	70
WARN ST A/C 3 No. 6	280	55	105	498
WARN ST A/C 3 No. 7	12	1	2	16
TOTAL	422	95	225	962
CURRENT EAST HALF	1,862	1,439	4,530	24,742
PERCENT INCREASE	22.66%	6.60%	4.97%	3.89%

TOTAL INCREMENTAL VOIDAGE IN 9 MONTHS = 263,203 RBBLs

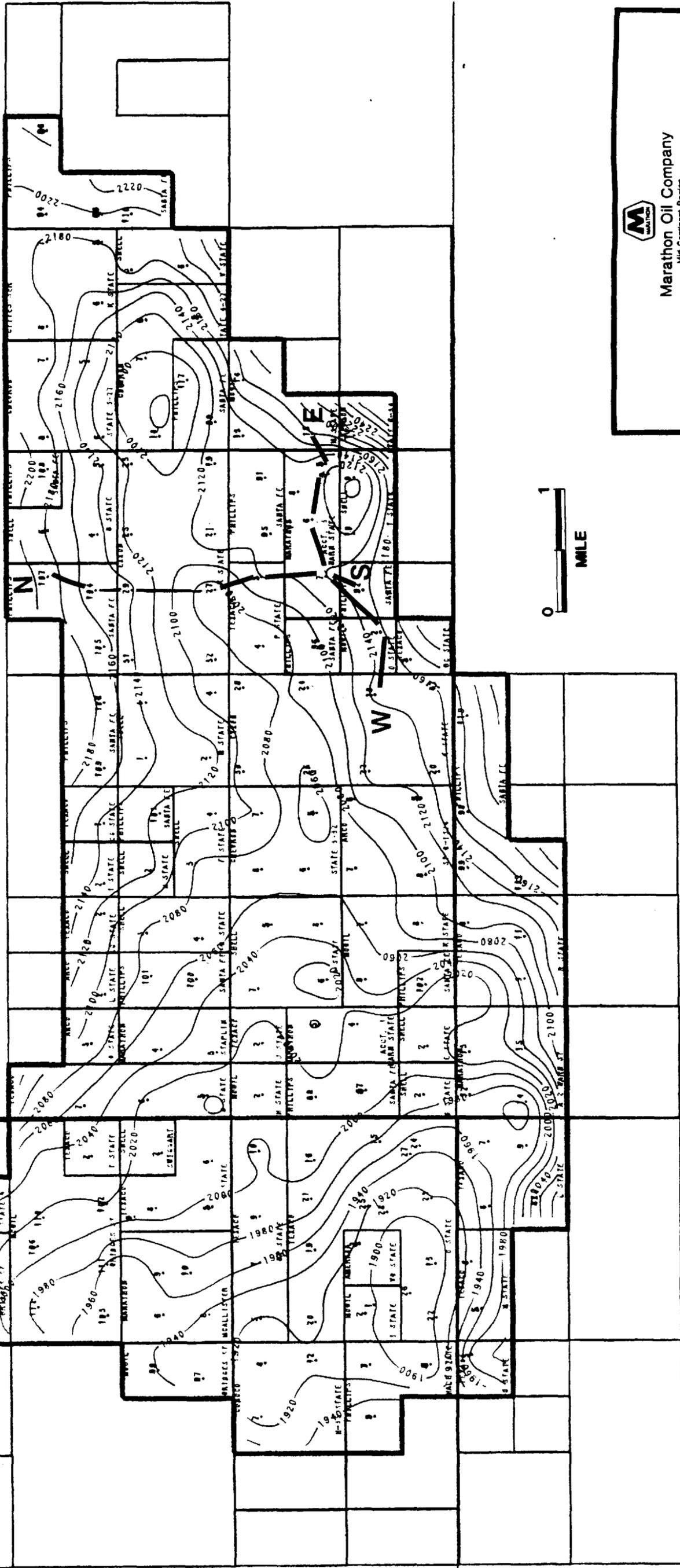
EQUAL TO 10.6 DAYS OF PRODUCTION AT CURRENT RATES

<p>BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO MARATHON OIL COMPANY EXHIBIT No. <u>23</u> CASE No. 10462 HEARING DATE: 8/13/92</p>
--

17 S
35 E

17 S
34 E

VACUUM GLORIETA
TOP OF PADDOCK
(SUBSEA DEPTH)



18 S
35 E

18 S
34 E



Marathon Oil Company
Mid-Continent Region

VACUUM GLORIETA POOL
LEA COUNTY, NEW MEXICO

TOP OF PADDOCK
(SUBSEA DEPTH)

FROM VACUUM GLORIETA TECHNICAL COMMITTEE REPORT

Before The
OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

Case No. 10462 Exhibit No. 24

Submitted by: Marathon Oil Company

Hearing Date: 8/13/92

