



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

June 29, 1998

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

**RE: Request for Exception to Rule 303-A
Application for Surface Commingling**

**W. H. Laughlin Battery
Unit Letter E, 2310' FNL & 940' FWL
Section 9, T-20-S, R-37-E
Monument Tubb
Lea County, New Mexico**

**W. H. Laughlin Well No. 8
Unit Letter F, 1760' FNL & 1750' FWL
Section 9, T-20-S, R-37-E
Monument Abo
Lea County, New Mexico**

Dear Mr. Catanach:

Marathon Oil Company respectfully requests administrative approval to permit the surface commingling of production in the above mentioned production.

Marathon Oil Company has a 100% Working Interest in the above mentioned lease and all Royalty Interest Owners are identical in both pools. Marathon Oil Company proposes to utilize the W. H. Laughlin storage and sales facility currently utilized for the Tubb production from Laughlin Well No. 7. Since the wells/pools are marginal, the production will be determined from periodic well test. The proposed production operation is in accordance with the applicable provisions.

Please find attached a lease plat and a production facility schematics. The Tubb oil production (7 BOPD @ 37 API) is currently valued at WTI crude price. The Abo oil production (40 BOPD @ 39 API) is valued at WTI crude price. The commingled estimated oil production (47 BOPD @ 39 API) is anticipated to be valued at WTI crude price. Therefore, there will not be any loss in value of the commingled production.

If additional information is necessary, please contact me at (505) 393-7106, ext 201.

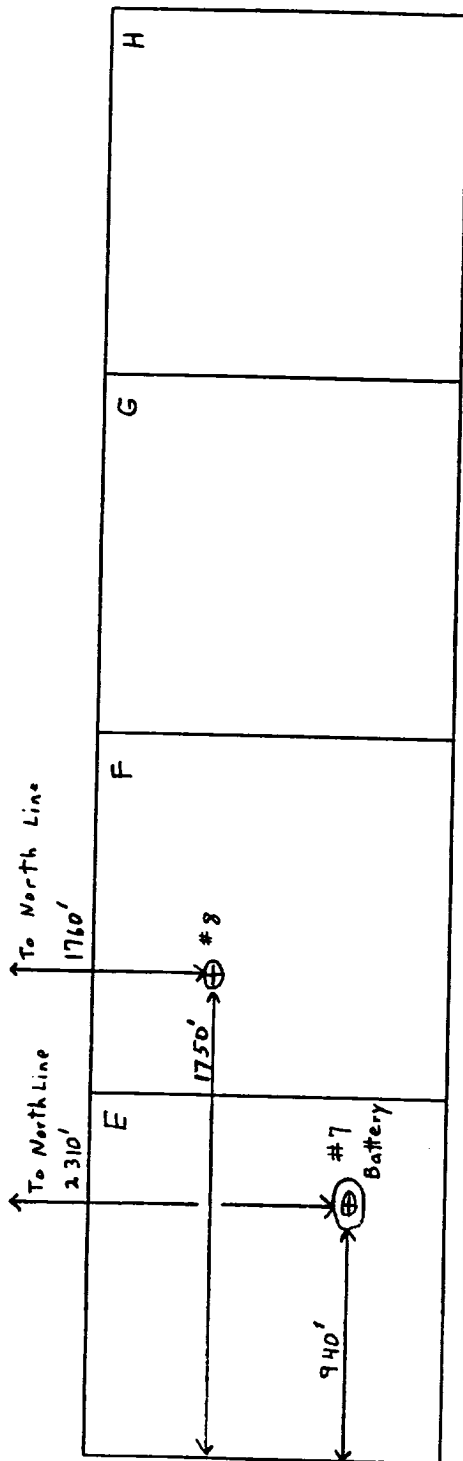
Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

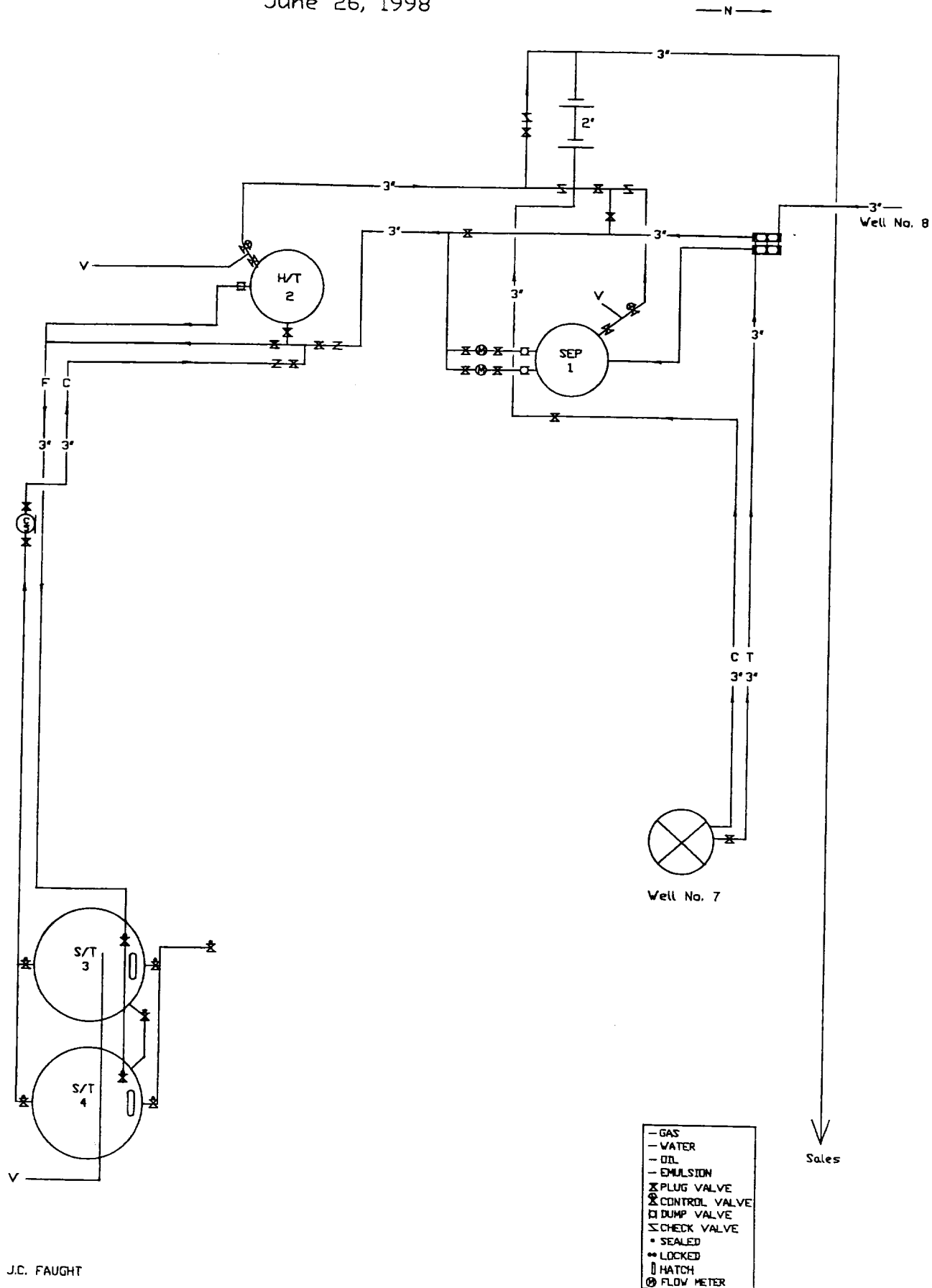
Verbal approval 7/10/98
Chris Williams

DISTRICT 1 SUPERVISOR

W. H. Laughlin Lease
Sec 9, T-20-S, R-37-E
Monument Field
Lea County, NM



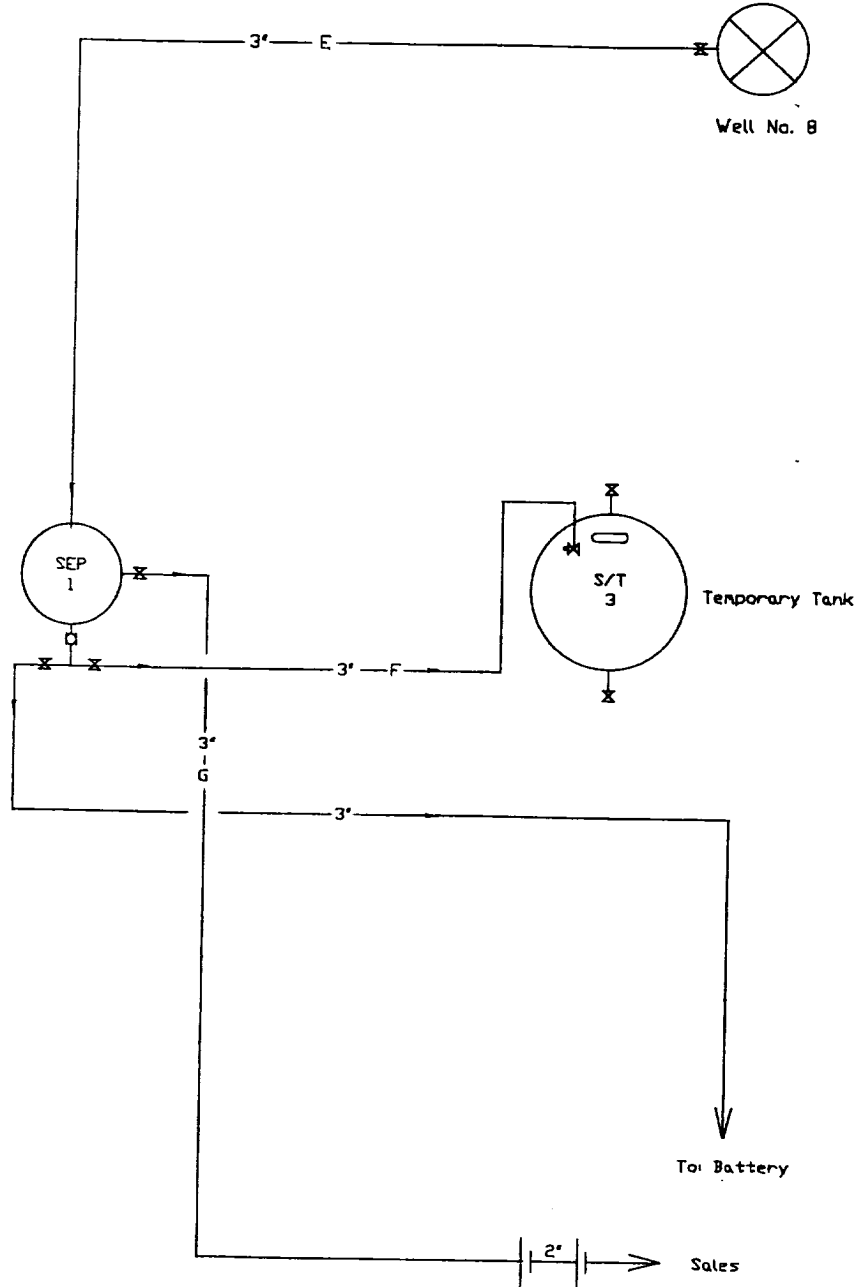
Production Facility Drawing
 W. F. Laughlin Well No. 7 Battery
 2310' FNL & 940 FWL'
 Sec. 9, T-20S, R-35E
 Monument Field, NM
 June 26, 1998



Drawn By: J.C. FAUGHT

Production Facility Drawing
 ... H. Laughlin Well No. 8
 Monument Field, NM
 June 26, 1998

← N →



- GAS
- WATER
- OIL
- EMULSION
- ⊗ PLUG VALVE
- ⊗ CONTROL VALVE
- DUMP VALVE
- ⊏ CHECK VALVE
- SEALED
- LOCKED
- ⊏ HATCH
- ⊗ FLOW METER