

OIL CONSERVATION DIVISION
RECEIVED

RELEASE 2-1-93
Houston Division
Production Operations, United States



Marathon
Oil Company

'93 JAN 18 AM 8 52

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

December 21, 1992

Mr. David Catanach
Energy and Mineral Department
Oil Conservation Division
PO Box 2088
Santa Fe, NM 87501

RE: Request for Exception to Rule 303-A
Downhole Commingling
Marathon Oil Company
J.L. Muncy Well No. 6
Unit I, 330' FEL and 1920' FSL
Section 24, T-22-S, R-37-E
Tubb Gas and Blinebry Oil Formations
Drinkard Field
Lea County, New Mexico

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of production in the above subject well from the Tubb Gas and Blinebry Oil Pools in Lea County, New Mexico.

Currently, the well is dual completed with the Tubb Gas flowing up the long string and Blinebry pumping up the short string. Allowing the commingling of the two zones, would extend the economic life of the well by maximizing production, and minimizing any associated waste.

Enclosed is pertinent data supporting this application as outlined in Rule 303-C. If additional information is necessary, please contact me at (505) 393-7106.

Sincerely,

A handwritten signature in cursive script that reads "S.P. Guidry".

S.P. Guidry
Northwest Operations
Area Superintendent

SPG:RDG/9245/dw

xc: R.W. Tracy

REQUEST FOR EXCEPTION TO RULE 303-C
 J.L. MUNCY WELL NO. 6
 DRINKARD FIELD

- (a) Marathon Oil Company
 PO Box 2409
 Hobbs, New Mexico 88240
- (b) J.L. Muncy Well No. 6
 Unit I, 330' FEL and 1920' FSL
 Section 24, T-22-S, R-37-E
 Lea County, New Mexico
 Commingled Zones: Tubb Gas
 and Blinebry Oil
- (c) Plats (2) of area attached.
- (d) The Form C-116 for the Tubb Gas and Blinebry Oil are attached. The allocated production for each pool will be based on the current production decline and the latest GOR test.
- (e) Production decline curves for both the Tubb Gas and Blinebry Oil are attached.
- (f) Estimated bottom hole pressure for each zone:
 Tubb Gas - 400 psi
 Blinebry Oil - 400 psi
- (g) Marathon has surface commingled the liquids from these zones without any compatibility problems.
- (h) If the downhole commingling is approved, the artificial lift system will extend the economic life of the well by maximizing production and thus avoid waste. The value of the produced hydrocarbons will not be altered by commingling the production.
- (i) Production from the latest GOR test shows as follows:

<u>Name</u>	<u>Oil (BOPD)</u>	<u>GAS (MCFD)</u>	<u>Water (BWPD)</u>
Tubb	0	245	0
Blinebry Oil	3	50	1
Total	3	295	1

Allocated percentages should be:

<u>Name</u>	<u>Oil (%)</u>	<u>Gas (%)</u>	<u>Water (%)</u>
Tubb	0	83	0
Blinebry Oil	100	17	100

- (j) Ownership of the two pools to be commingled in common and correlative rights will not be violated.
- (k) By copy of this letter, we are notifying all offset operators of the proposed commingling by certified mail.

OFFSET OPERATORS

J.L. MUNCY LEASE
LEA COUNTY, NEW MEXICO

Chevron Oil Company
PO Box 670
Hobbs, NM 88240

Hanson Operating company
PO Box 1515
Roswell, NM 88202-1515

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

John Hendrix
525 Midland Tower
Midland, TX 79701

Crown Central Petroleum
Building K, Suite 200
731 West Wadley
Midland, TX 79701

Sun Exploration & Production Company
PO Box 1861
Midland, TX 79702

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-025-29218

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

1. Type of Well:
OIL WELL GAS WELL OTHER Dual Oil & Gas Well

J.L. Muncy

2. Name of Operator
Marathon Oil Company

8. Well No.
6

3. Address of Operator
P.O. Box 2409, Hobbs, NM 88240

9. Pool name or Wildcat
Drinkard*

4. Well Location
Unit Letter I : 330' Feet From The East Line and 1920' Feet From The South Line
Section 24 Township 22-S Range 37-E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3323' 6L

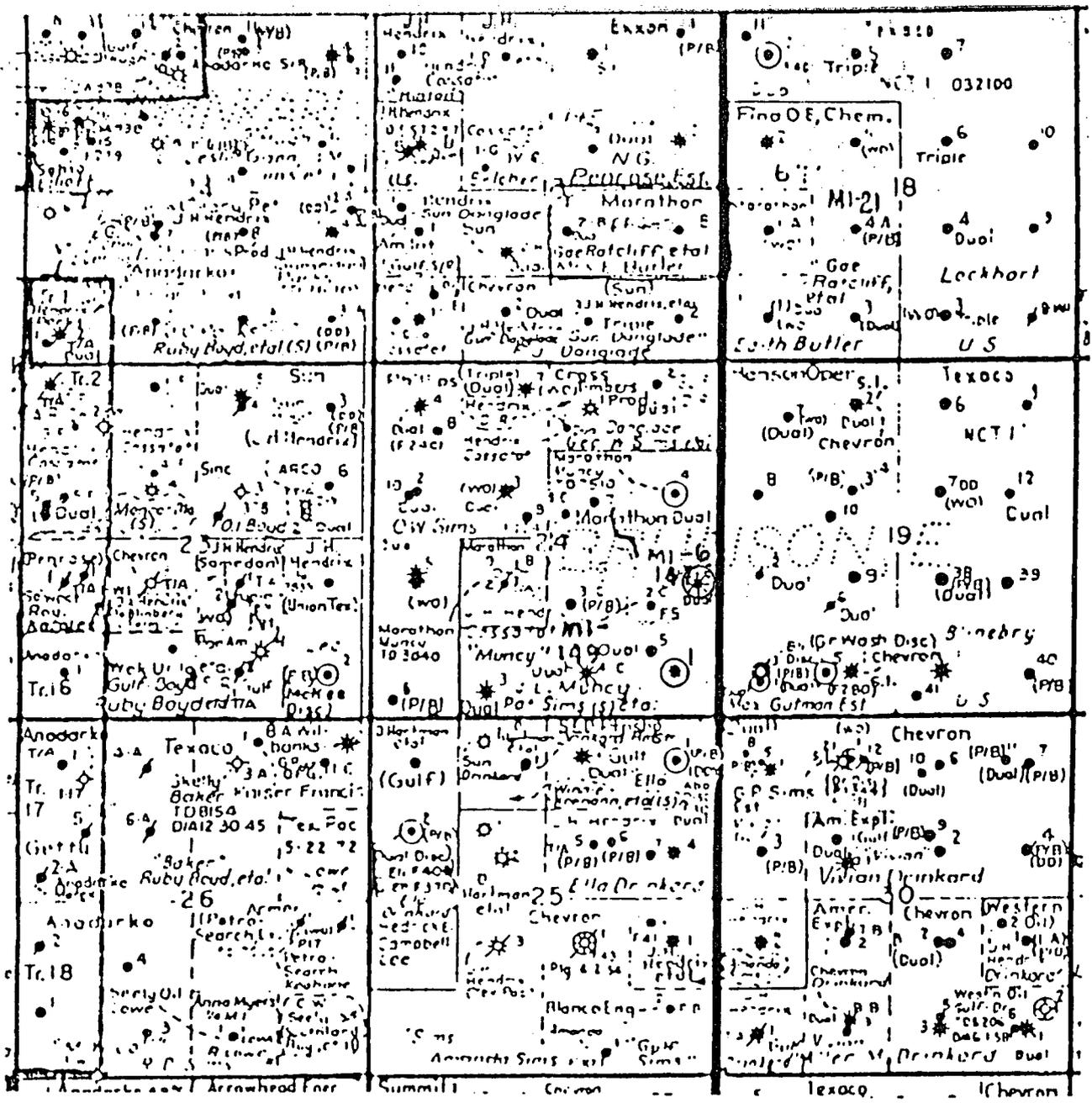
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Downhole Commingling</u> <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
Request authorization to downhole commingle the Tubb Gas and Brunson, South (Drinkard Abo)
*Tubb Gas and Blinebry Oil.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE Production Engineer DATE 12/21/92
TYPE OR PRINT NAME Rick Gaddis TELEPHONE NO. 505-393-7106

(This space for State Use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:



T
22
S

R-37-E

DRINKARD FIELD
 J.L. Muncy Lease
 Lea County, New Mexico
 Land Plat

RDG- 11/30/92

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

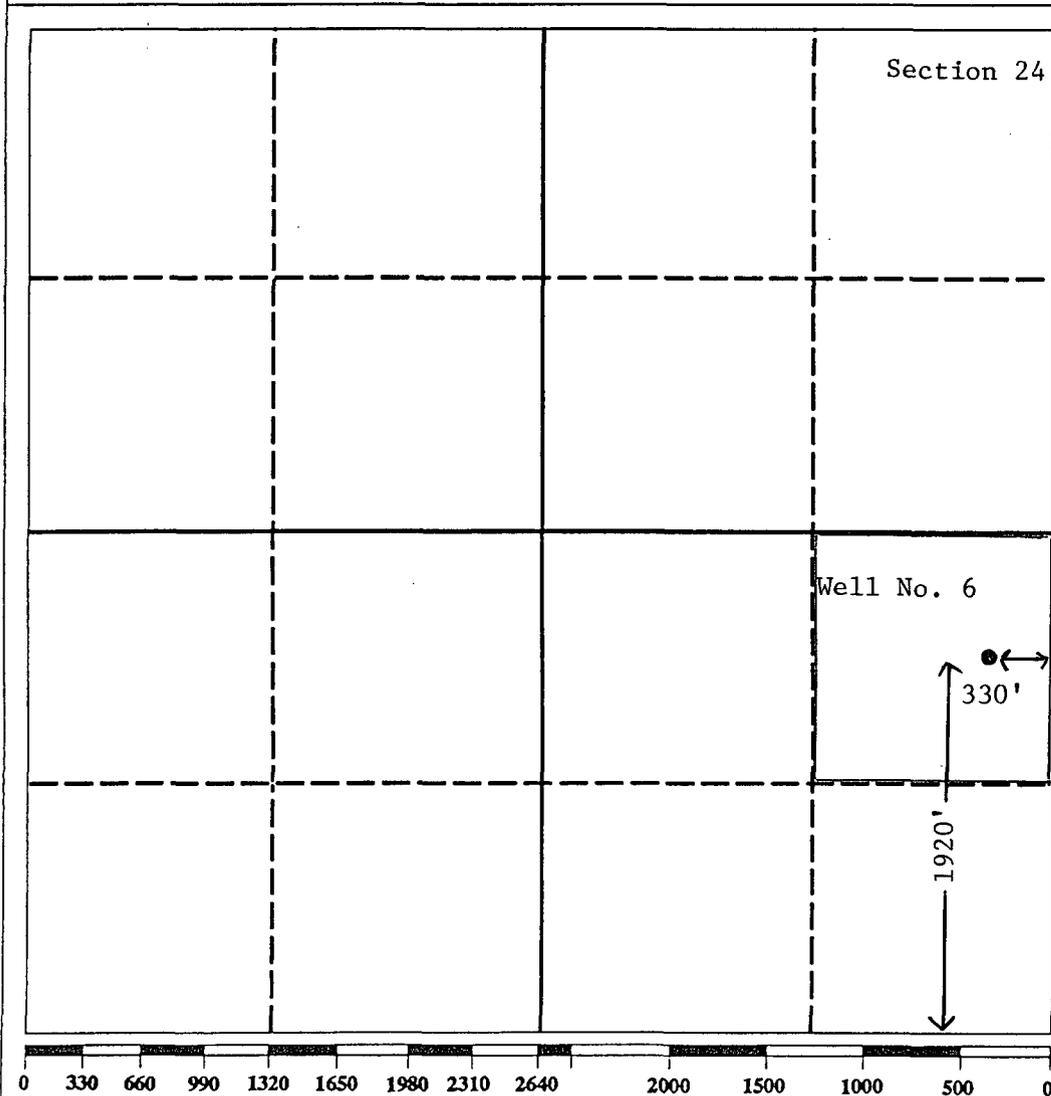
Operator Marathon Oil Company			Lease J.L. Muncy		Well No. 6
Unit Letter I	Section 24	Township 22-S	Range 37-E	County Lea	
Actual Footage Location of Well: 330 feet from the East line and 1920 feet from the South line					
Ground level Elev. 3323'	Producing Formation Blinebry Oil		Pool Drinkard - Blinebry	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature: *[Signature]*

Printed Name: Rick Gaddis

Position: Production Engineer

Company: Marathon Oil Company

Date: December 01, 1992

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: _____

Signature & Seal of Professional Surveyor: _____

Certificate No.: _____

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

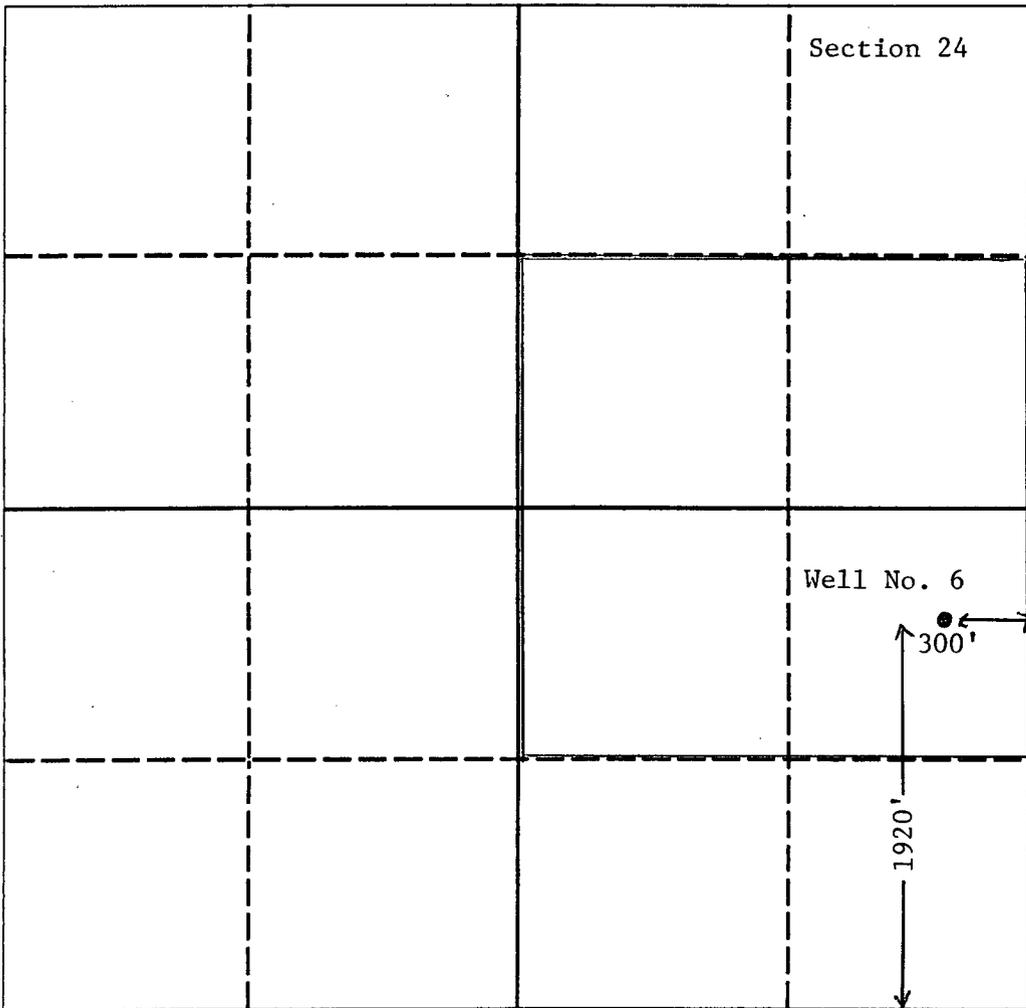
Operator Marathon Oil Company			Lease J.L. Muncy		Well No. 6
Unit Letter I	Section 24	Township 22-S	Range 37-E	County Lea	
Actual Footage Location of Well: 330 feet from the East line and 1920 feet from the South line					
Ground level Elev. 3323'	Producing Formation Tubb		Pool Drinkard - Tubb	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary. _____)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature _____

Printed Name
Rick Gaddis

Position
Production Engineer

Company
Marathon Oil Company

Date
December 21, 1992

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

Signature & Seal of Professional Surveyor _____

Certificate No. _____

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit 2 copies to Appropriate District Office.
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P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Blinebry Oil		County Lea												
Address P.O. Box 2409, Hobbs, NM 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.			
		U	S	T						R	WATER BBL.	GRAV. OIL		OIL BBL.	GAS M.C.F.	
J.L. Muncy	6	I	24	22	37	11-11-92	P	N/A	45 psi	N/A	24	1	N/A	3	50	16,667

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


Signature
Rick Gaddis, Production Engineer
Printed name and title
12-21-92 505-393-7106
Date Telephone No.

Instructions:
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.
(See Rule 301, Rule 1116 & appropriate pool rules.)

GAS - OIL RATIO TEST

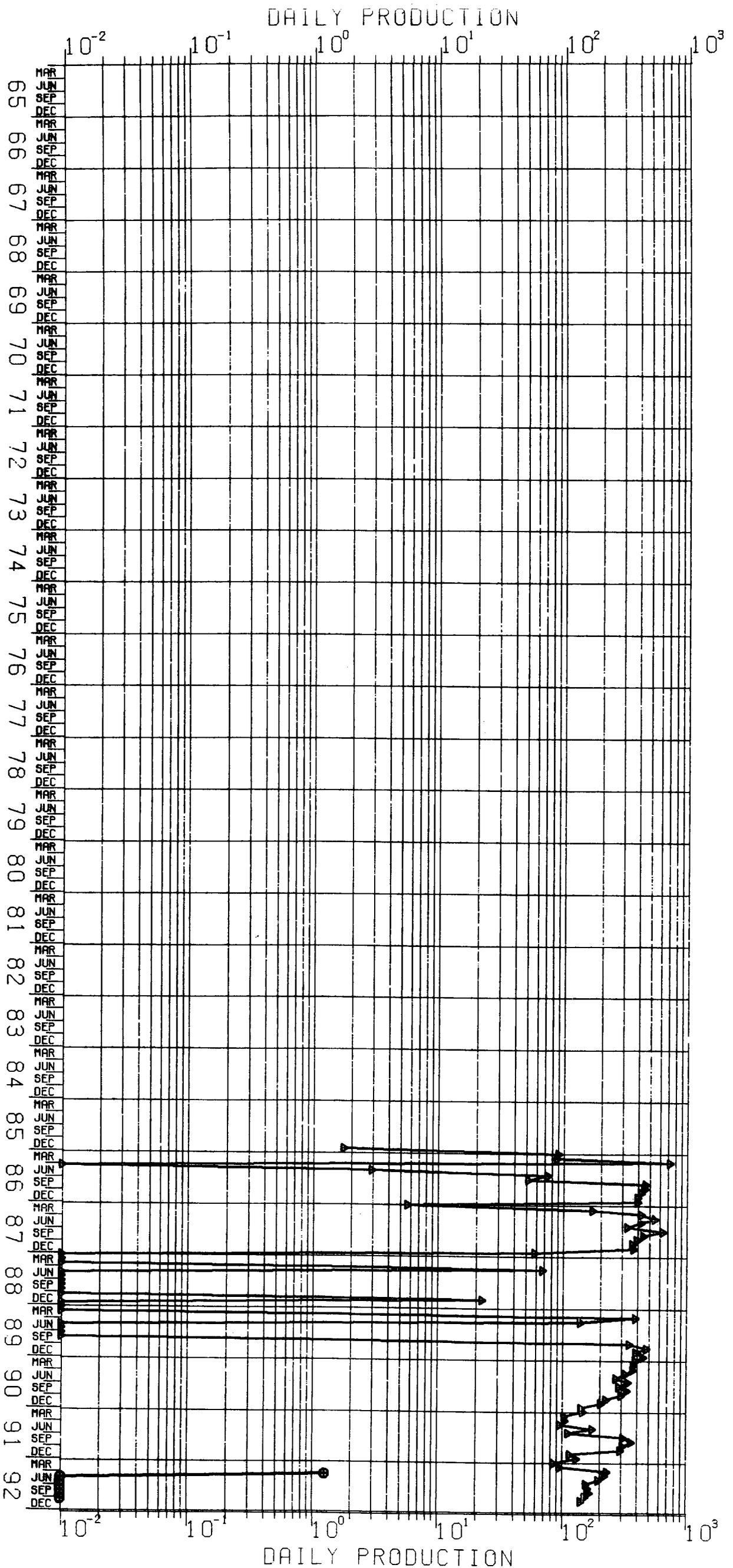
Operator		Pool		County		Lea										
Marathon Oil Company		Tubb Gas														
Address		TYPE OF TEST - (X)		Scheduled		Completion		Special								
P.O. Box 2409, Hobbs, NM 88240		SP						X								
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.			
		U	S	T						R	WATER BBL.	GRAV. OIL		OIL BBL.	GAS M.C.F.	
J.L. Muncy	6	I	24	22	37	11/10/92	F	Open	40	Gas	24	0	N/A	0	245	N/A

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Rick Gaddis
 Signature
 Rick Gaddis, Production Engineer
 Printed name and title
 12-21-92 505-393-7106
 Date Telephone No.

Instructions:
 During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
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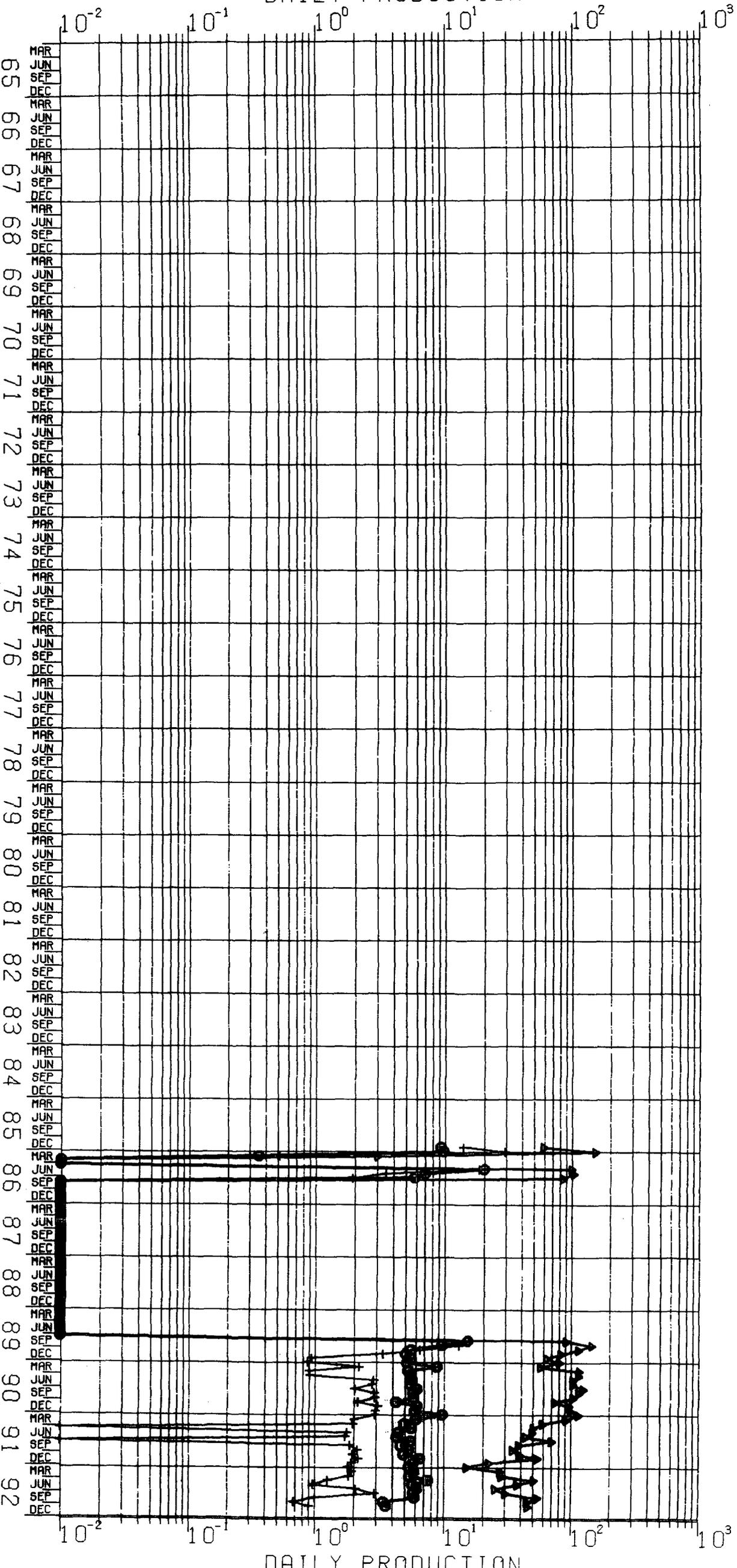
FIELD - DRINKARD
 RESERVOIR - TUBB
 LEASE - MUNCY J L
 WELL - J. L. MUNCY-NO. 6



O+C CALENDAR DLY AVG
 GAS CALENDAR DLY AVG
 MTR CALENDAR DLY AVG

DAILY PRODUCTION

FIELD - DRINKARD
 RESERVOIR - BLINEBRY
 LEASE - MUNCY J L
 WELL - J. L. MUNCY-NO. 6



O+C CALENDAR DLY AVG —●—
 GAS CALENDAR DLY AVG —▲—
 MTR CALENDAR DLY AVG —+—

DAILY PRODUCTION

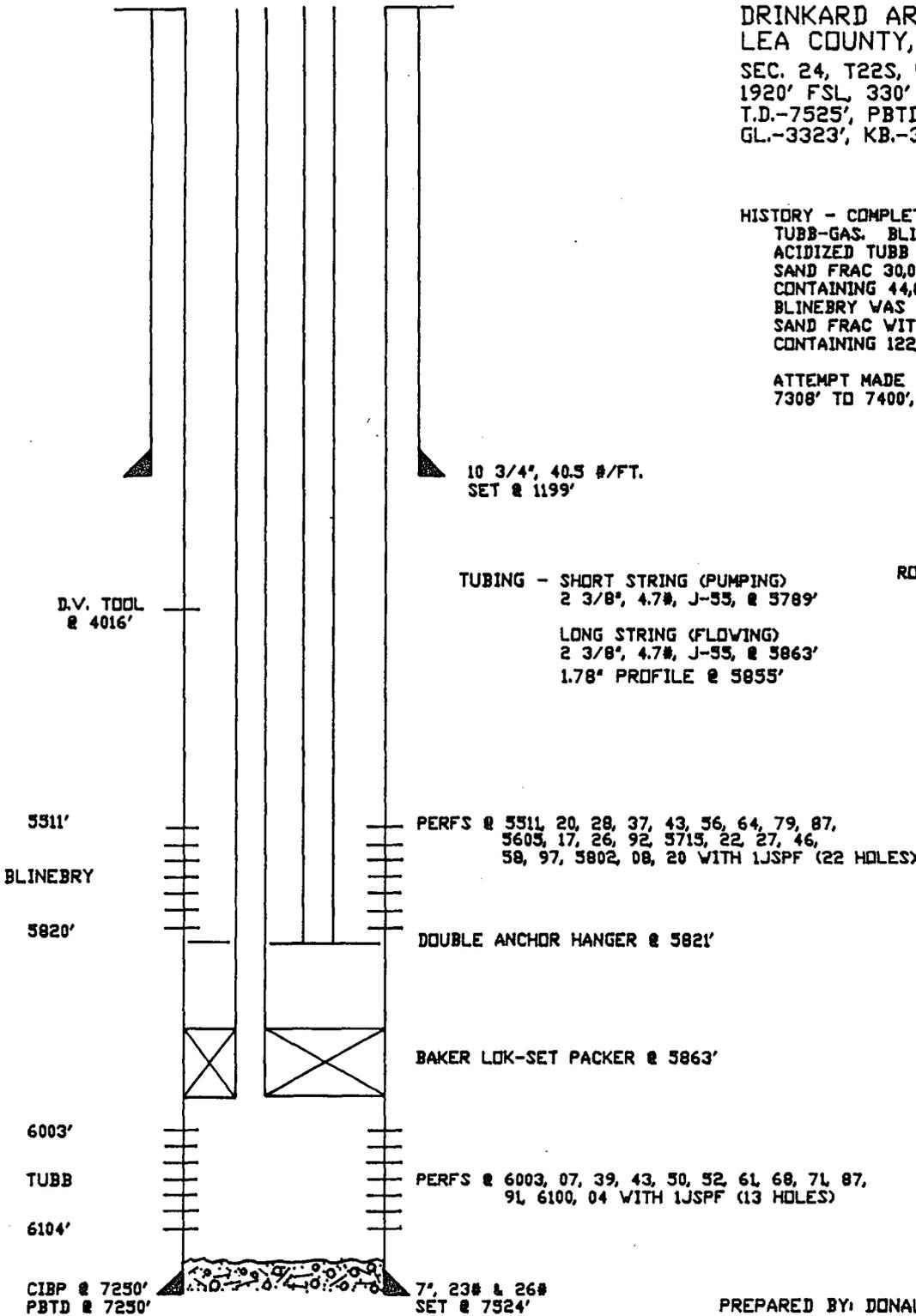
J.L. MUNCY NO.6

DRINKARD AREA
LEA COUNTY, NEW MEXICO

SEC. 24, T22S, R37E
1920' FSL, 330' FEL
T.D.-7525', PBD.-7250'
GL.-3323', KB.-3335'

HISTORY - COMPLETED 11/85, DUAL BLINEBRY-OIL & TUBB-GAS. BLINEBRY HAS BEEN T/A SINCE 6/86. ACIDIZED TUBB WITH 1832 GALLONS 15% HCL. SAND FRAC 30,000 GAL. OF PUR-GEL 30-20% Co2 CONTAINING 44,000# OF 20/40 MESH SAND. BLINEBRY WAS ACIDIZED WITH 3000 GAL. 15% HCL. SAND FRAC WITH 60,000 GAL. OF PUR-GEL 30 CONTAINING 122,000# OF 20/40 MESH SAND.

ATTEMPT MADE TO COMPLETE GRANITE WASH 7308' TO 7400', BUT WAS UNPRODUCTIVE.



TUBING - SHORT STRING (PUMPING)
2 3/8", 4.7#, J-55, @ 5789'

LONG STRING (FLOWING)
2 3/8", 4.7#, J-55, @ 5863'
1.78" PROFILE @ 5855'

RODS - 1 - 22' X 1-1/4" POLISH ROD
1 - 2' X 7/8" ROD SUB
1 - 4' X 7/8" ROD SUB
3 - 6' X 7/8" ROD SUBS
51 - 25' X 7/8" SUCKER RODS
168 - 25' X 3/4" SUCKER RODS
10 - 25' X 7/8" SUCKER RODS
1 - 2' X 7/8" ROD SUB
1 - 2' X 1-1/4" X 16' PUMP

PREPARED BY: DONALD G. PRICE, JR.

* DRAWING NOT SCALE