

RELEASE 2-1-93

Houston Division
Production Operations, United States

OIL CONSERVATION DIVISION
RECEIVED



DEC 1 1992 9 00 AM
P.O. Box 2409
Hobbs, New Mexico 88240
Telephone 505/393-7106

December 1, 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. 1
Unit P, 660' FEL & 660' FSL
Section 24, T-22-S, R-37-E
Tubb Gas and Brunson, South 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 Brunson, South (Drinkard Abo) Pools in Lea County, New Mexico.

Currently, the well is dual completed with the Tubb Gas flowing up the annulus and Brunson, South flowing up the tubing. By allowing the commingling of the two zones, it would economically justify keeping the well on production for an extended period, and minimize any associated waste.

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

Sincerely,

S.P. Guidry
S.P. Guidry
Northwest Operations
Area Superintendent

SPG:RDG/9224/kc

xc: R.W. Tracy

**REQUEST FOR EXCEPTION TO RULE 303-A
J.L. MUNCY WELL NO. 1
DRINKARD FIELD**

- (a) Marathon Oil Company
PO Box 2409
Hobbs, New Mexico 88240
- (b) J.L. Muncy Well No. 1-P
Unit P, 660' FEL and 660' FSL
Section 24, T-22-S, R-37-E
Lea County, New Mexico
Commingled Zones: Tubb Gas
and Brunson, South
(Drinkard Abo)
- (c) Plats (2) of area attached.
- (d) The Form C-116 for the Tubb Gas and Brunson, South (Drinkard Abo are attached).
- (e) Production decline curves for both the Tubb Gas and Brunson, South (Drinkard Abo) are attached.
- (f) Estimated bottom hole pressure for each zone:
Tubb Gas - 450 psi
Brunson, South - 500 psi
- (g) Marathon has commingled these fluids at the surface and has encountered no incompatibility problems.
- (h) If the downhole commingling is approved, the artificial lift system will extend the economic life of the well 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	55	0
Brunson, South	0	0	0
Total	0	55	0

Bases on swab results, the Brunson, South zone should pump 5 BOPD and 160 MCFPD giving the well a total of 5 BOPD and 215 MCFPD with a GOR of 43,000 to 1.

Allocated percentages should be:

<u>Name</u>	<u>Oil (%)</u>	<u>Gas (%)</u>
Tubb	0	26
Brunson, South	100	74

- (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.

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

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

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

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

WELL API NO.
30-025-25361

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

J.L. Muncy

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

8. Well No.
1

2. Name of Operator
Marathon Oil Company

9. Pool name or Wildcat
Drinkard*

3. Address of Operator
PO Box 2409, Hobbs, NM 88240

4. Well Location
Unit Letter P : 660' Feet From The East Line and 660' 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.)
3333' KB

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>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 Brunson, South (Drinkard Abo)

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

SIGNATURE  TITLE Production Engineer DATE 11/13/92

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:

Submit 2 copies to Appropriate District Office.
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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-116
 Revised 1/1/89

OIL CONSERVATION DIVISION

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

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Brunson, South (Drinkard)		County Lea										
Address PO Box 2409 Hobbs, NM 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>										
LEASE NAME J.L. Muncy	WELL NO. 1	LOCATION			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.		
		P	24	22	37	SI	F	N/A	20 psi	Well will not flow against sales line pressure.				

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.

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

Rick Gaddis
 Signature

Rick Gaddis
 Printed name and title

Production Engineer

11-13-92
 Date

(505) 393-7106
 Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)

Submit 2 copies to Appropriate District Office.

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

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

OIL CONSERVATION DIVISION

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

GAS - OIL RATIO TEST

Operator		Pool		County												
Marathon Oil Company		Tubb Gas		Lea												
Address		TYPE OF TEST - (X)		Completion		Special										
PO Box 2409, Hobbs, NM 88240		SCHEDULED <input type="checkbox"/>		COMPLETED <input type="checkbox"/>		SPECIAL <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.			
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.	GAS M.C.F.	
J.L. Muncy	1	P	24	22	37	10/10/92	F	16/64	150	Gas	24	0	N/A	0	55	N/A

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

R.D. Gaddis
Signature

R.D. Gaddis
Printed name and title
Production Engineer

11-13-92
Date
(505) 393-7106
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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Report casing pressure in lieu of tubing pressure for any well producing through casing.
(See Rule 301, Rule 1116 & appropriate pool rules.)

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

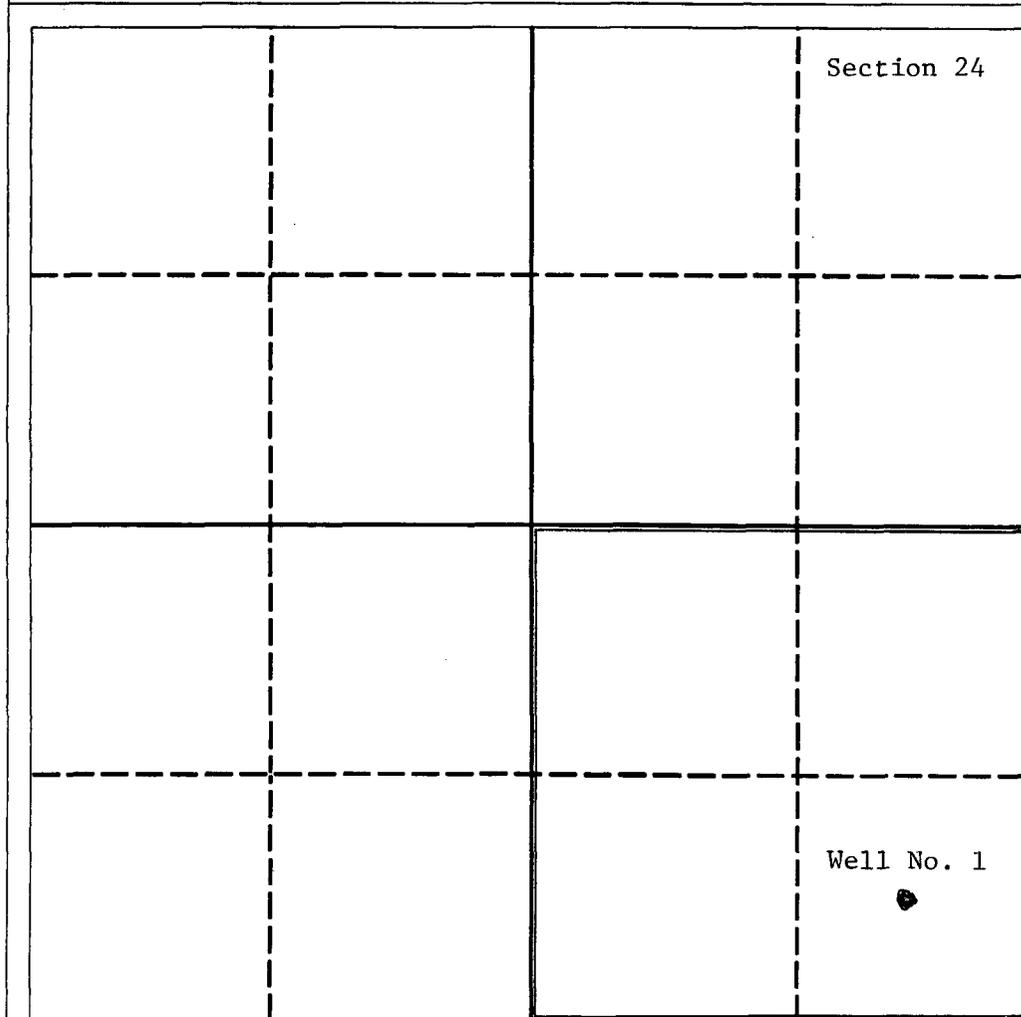
Operator Marathon Oil Company			Lease J.L. Muncy		Well No. 1-P
Unit Letter P	Section 24	Township 22-S	Range 37-E	County Lea	
Actual Footage Location of Well: 660 feet from the East line and 660 feet from the South line					
Ground level Elev. 3221'	Producing Formation Drinkard		Pool Brunson, South, (Drinkard)	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 is true and complete to the best of my knowledge and belief.

Signature
[Handwritten Signature]

Printed Name
Rick Gaddis

Position
Production Engineer

Company
Marathon Oil Company

Date
November 13, 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.

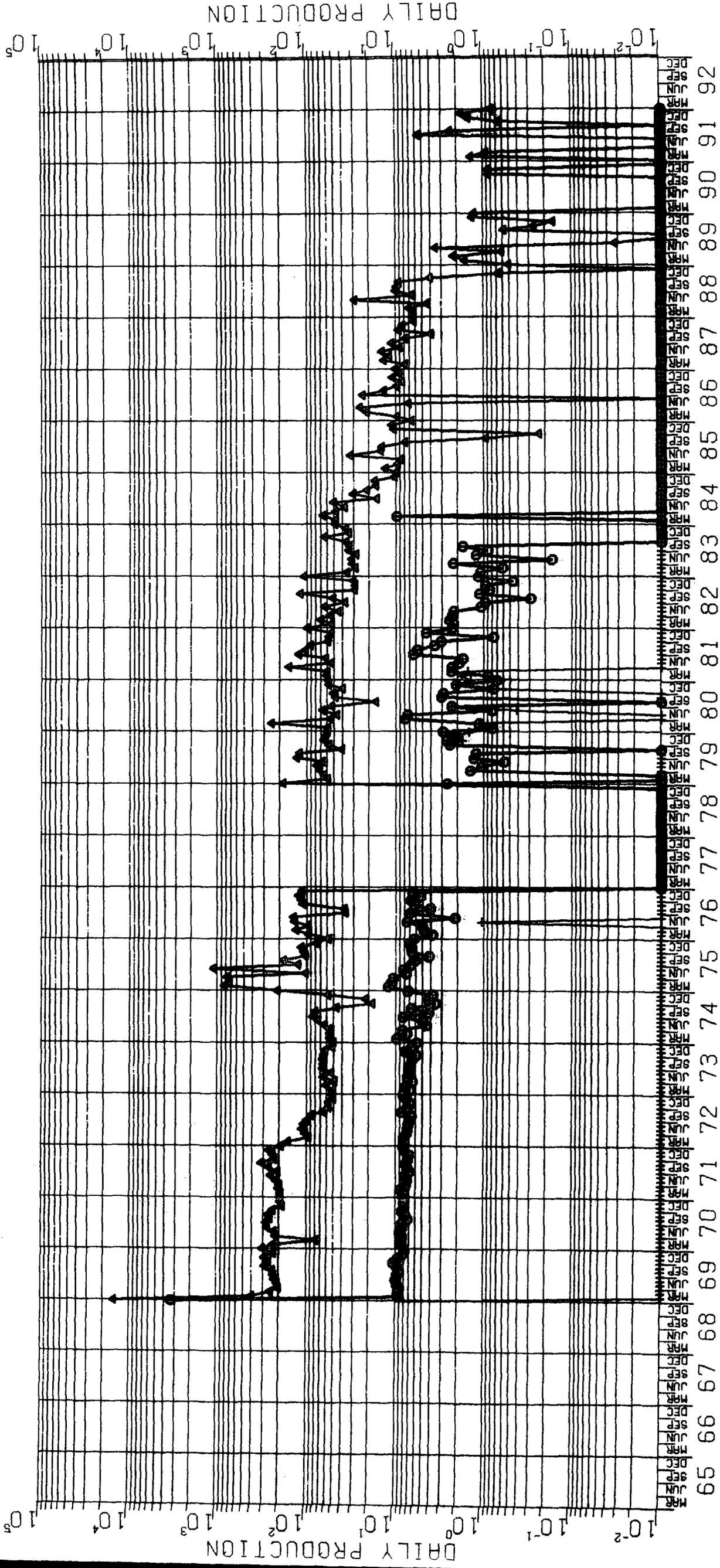
Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.

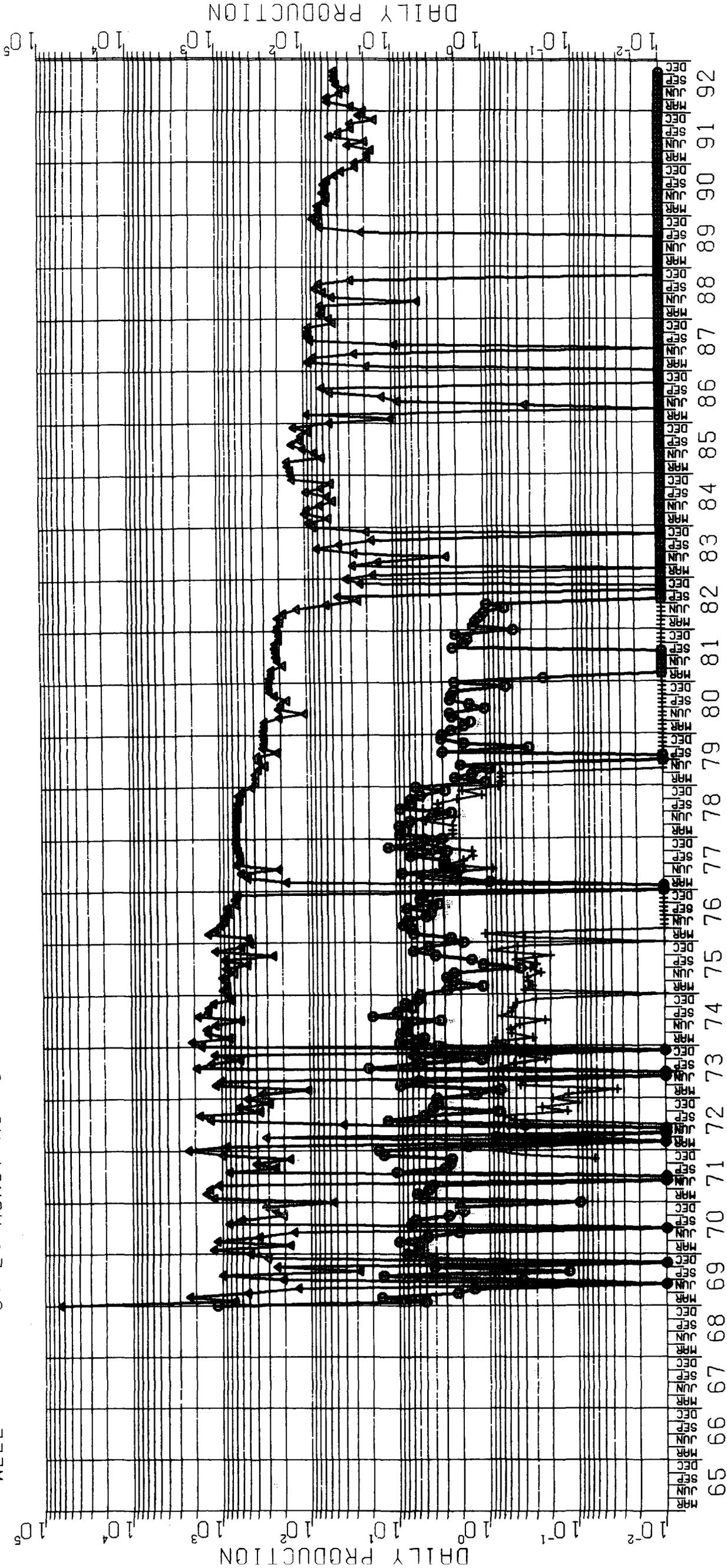


FIELD - DRINKARD
 RESERVOIR - S. BRUNSON DRNK-ABO
 LEASE - MUNCY J L
 WELL - J. L. MUNCY-NO. 1

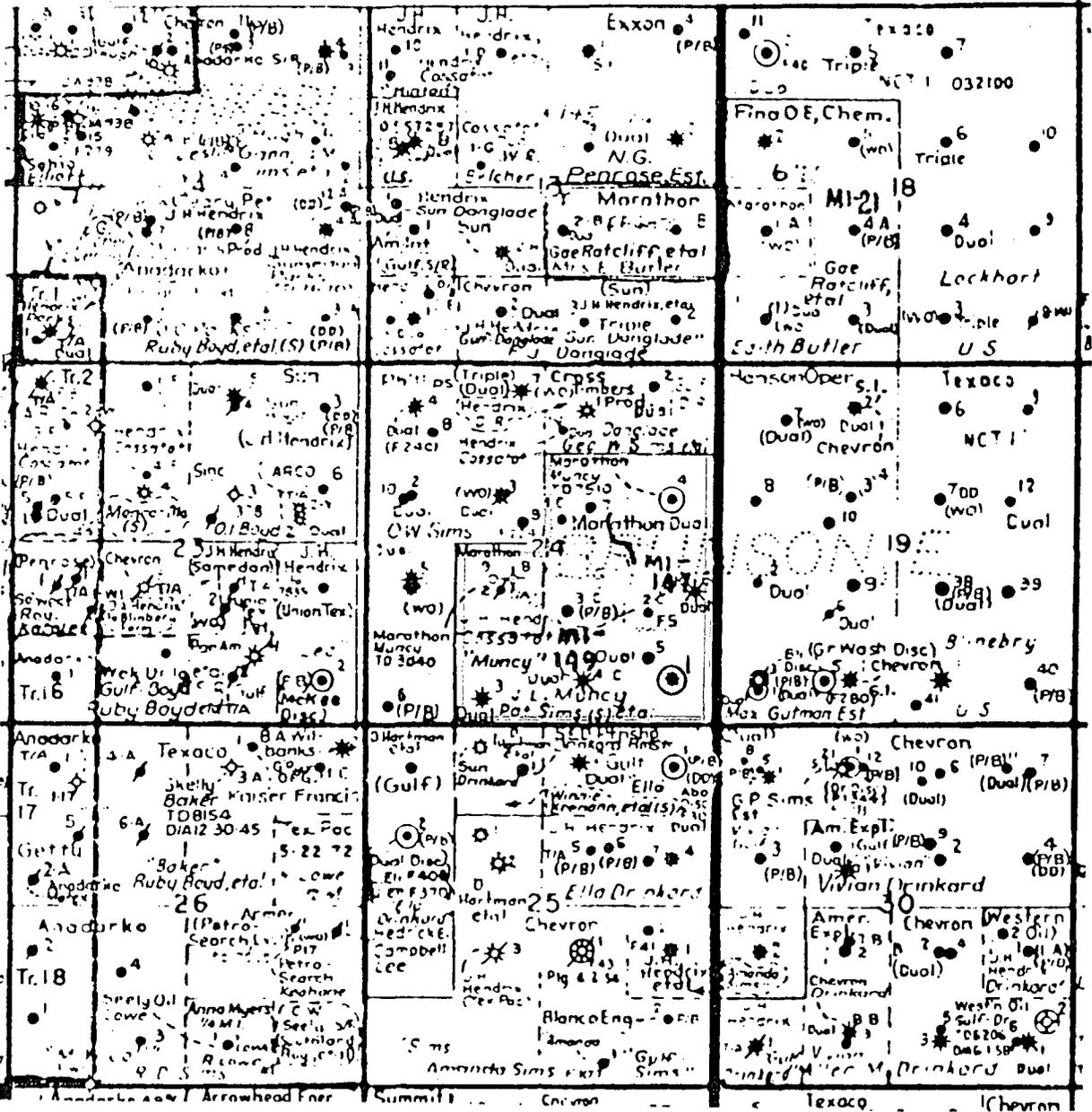


O-C CALENDAR DLY AVG —●—
 GAS CALENDAR DLY AVG —▲—
 WTR CALENDAR DLY AVG —+—

FIELD - DRINKARD
 RESERVOIR - TUBB
 LEASE - MUNCY J L
 WELL - J. L. MUNCY-NO. 1



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



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

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 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. 1-P
Unit Letter P	Section 24	Township 22-S	Range 37-E	County Lea

Actual Footage Location of Well:
 660 feet from the East line and 660 feet from the South line

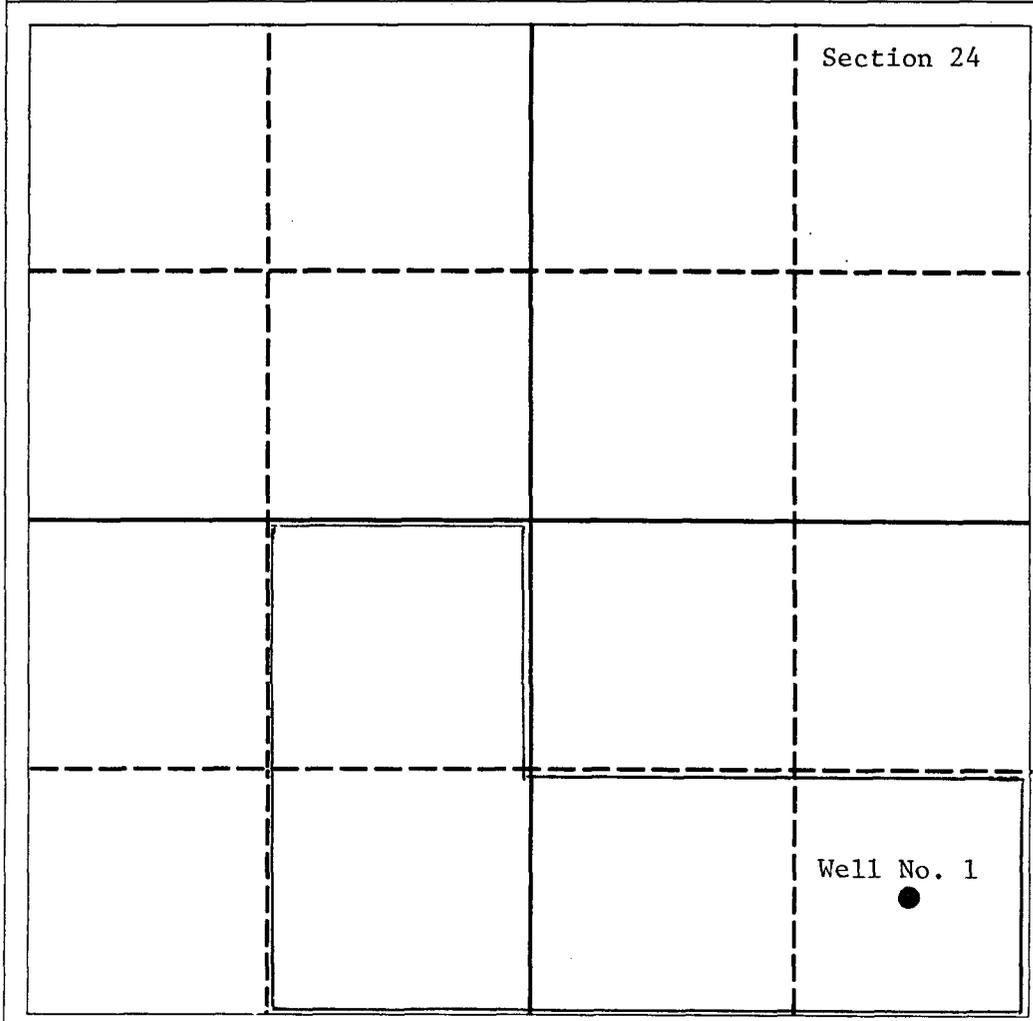
Ground level Elev. 3221'	Producing Formation Tubb	Pool Tubb Gas	Dedicated Acreage: 160 Acres
-----------------------------	-----------------------------	------------------	---------------------------------

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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Yes No If answer is "yes" type of consolidation _____

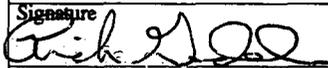
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OPERATOR CERTIFICATION

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Signature


Printed Name
 Rick Gaddis

Position
 Production Engineer

Company
 Marathon Oil Company

Date
 November 13, 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.



DRINKARD FIELD

J. L. MUNCY WELL No. 1
660' FSL & 660' FEL
SECTION 24, T-22S, R-37E
LEA COUNTY, NEW MEXICO
STATUS: COMMINGLED WELL
KB: 3333
TD: 7298' PBTD: 6885'

SURFACE: 13-3/8", 54.5#/ft, set at 313'.
Cmt'd w/ 300 sxs.

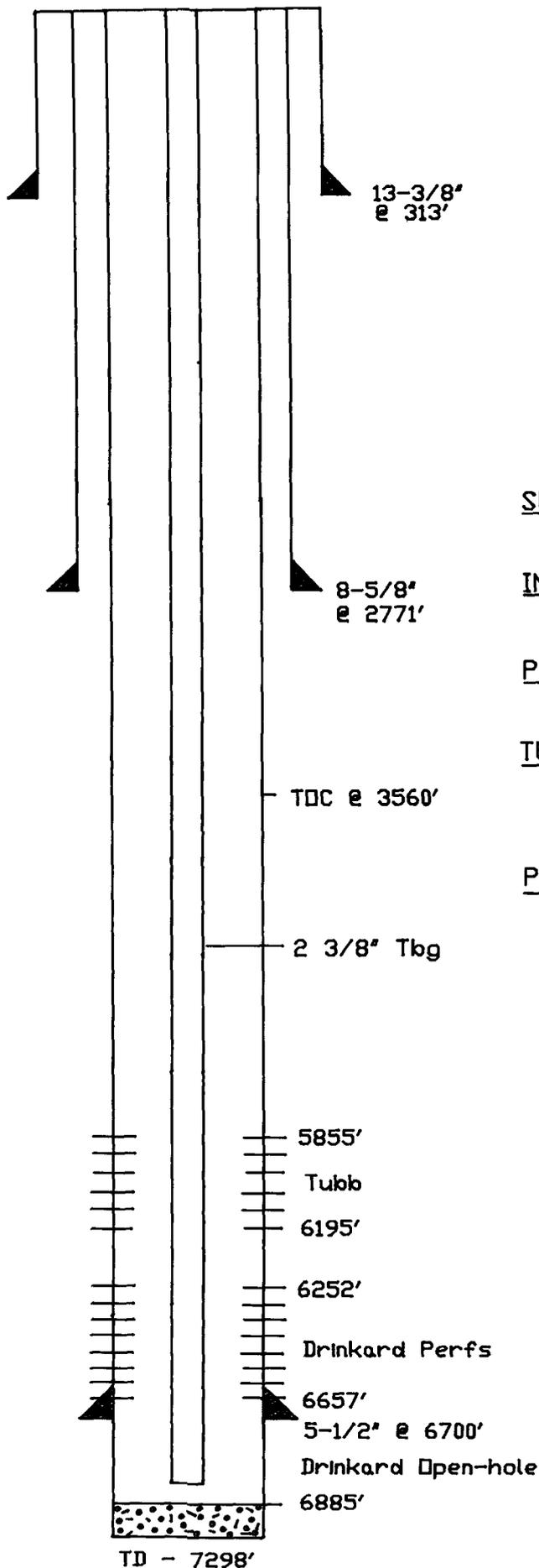
INTERMEDIATE: 8-5/8", 32#/ft set at 2771'.
Cmt'd w/ 1500 sxs.

PRODUCTION: 5-1/2", 17#/ft, set at 6700'.
Cmt'd w/ 600 sxs. TDC at 3560'.

TUBING: 2-3/8", 4.7#/ft, N-80, EUE w/ SN
at 6775'.

PRESENT COMPLETION:

Tubbi:	5835-6195'
Drinkard:	6252-6481'
	6593-6657'
	6700-6885', open-hole





**Marathon
Oil Company**

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

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

RDG/9236/kc