

RELEASE 3-29-93

Mid-Continent Region
Production United States

OIL CONSERVATION DIVISION
RECEIVED

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

33 MAR 30 AM 9 44



March 5, 1993

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. 3
Unit N, 350' FSL & 1,720' FWL
Section 24, T-22-S, R-37-E
Blinebry 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 Blinebry Gas and Brunson, South (Drinkard Abo) Pools in Lea County, New Mexico.

Currently, the well is dual completed with the Blinebry 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 (915)682-1626.

Sincerely,

A handwritten signature in cursive script that reads 'Brent D. Lockhart'.

B. D. Lockhart
Northwest Operations

BDL/93116/jo

**REQUEST FOR EXCEPTION TO RULE 303-A
J. L. MUNCY WELL NO. 3
DRINKARD FIELD**

- (a) Marathon Oil Company
PO Box 552
Midland, Texas 79702
- (b) J. L. Muncy Well No. 3
Unit N, 350' FSL & 1720' FWL
Section 24, T-22-S, R-37-E
Lea County, New Mexico
Commingled Zones: Blinebry Gas and Brunson, South (Drinkard Abo)
- (c) Plats (2) of area attached.
- (d) The Form C-116 for the Blinebry Gas and Brunson, South (Drinkard Abo) are attached.
- (e) Production decline curves for both the Blinebry Gas and Brunson, South (Drinkard Abo) are attached.
- (f) Estimated bottom hole pressure for each zone:
Blinebry 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 economic life of the well will be extended 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>
Blinebry	0	74	0
Brunson, South	<u>0</u>	<u>45</u>	<u>0</u>
Total	0	119	0

Allocated percentages should be:

<u>NAME</u>	<u>GAS (%)</u>
Blinebry	62
Brunson, South	38

- (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 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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool BLINEBRY - GAS		County LEA											
Address P.O. Box 552, Midland, Texas, 79702		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKESIZE	TBG. 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	3	N	24	22S	37E	2/11/93	F	OPEN	50	24	0	N/A	0	74	N/A

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.)

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

Brent D. Lockhart

Signature
BRENT D. LOCKHART ENGINEERING TECHNICIAN
Printed name and title
MARCH 5, 1993 915-682-1626
Date Telephone No.

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 SOUTH BRUNSON DRINKARD - ABO		County LEA											
Address P. O. Box 552, Midland, Texas, 79702		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME J. L. MUNCY	WELL NO. 3	LOCATION			LENGTH OF TEST HOURS 24	PROD. DURING TEST	GAS - OIL RATIO CU.FT/BBBL N/A								
		U	S	T				R	WATER BEELS.	GRAV. OIL	OIL BEELS.	GAS M.C.F.			
		N	24	22S	37E	2/12/93	F	OPEN	50	50	0	N/A	0	45	N/A

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

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

Brent D. Lockhart

Signature

BRENT D. LOCKHART ENGINEERING TECHNICIAN

Printed name and title

MARCH 5, 1993

Date

915-682-1626

Telephone 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

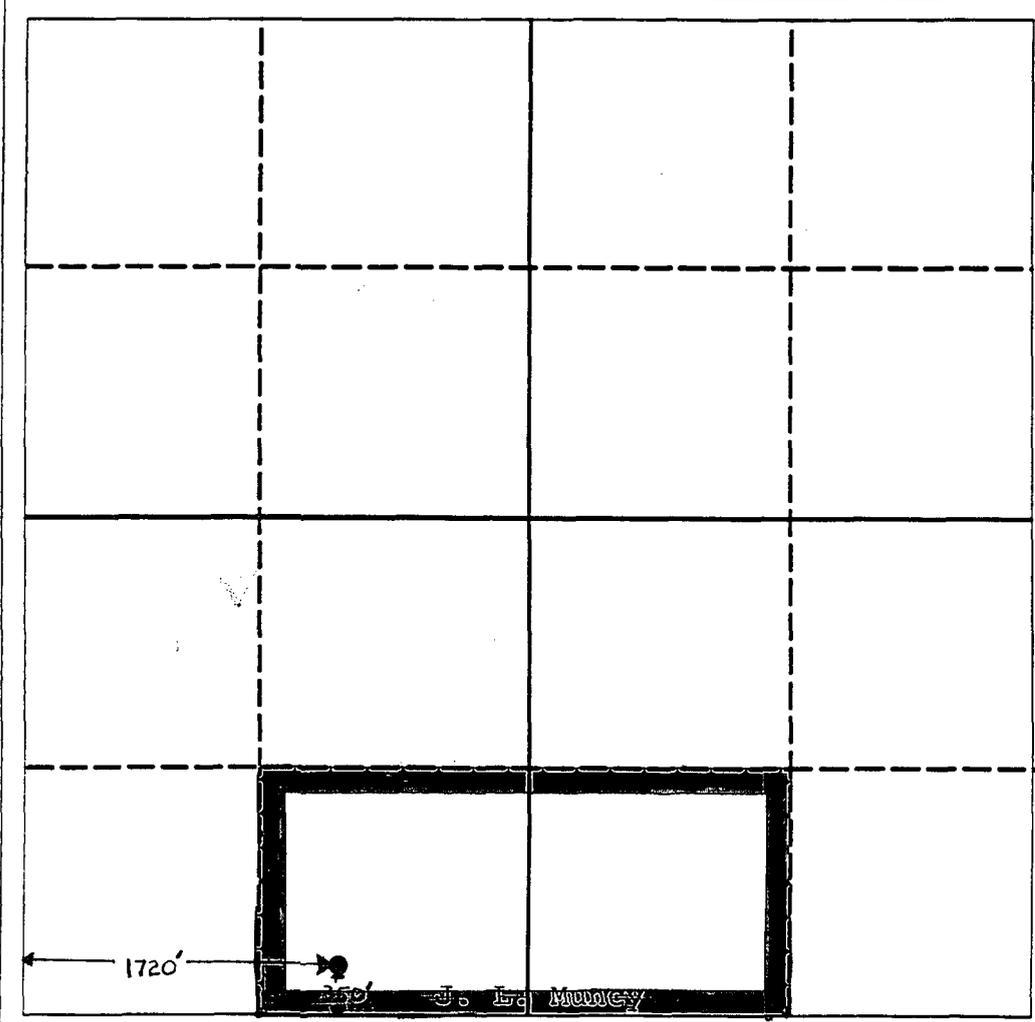
Operator Marathon Oil Company		Lease J. L. Muncy		Well No. 3
Unit Letter N	Section 24	Township 22-S	Range 37-E	County Lea
Actual Footage Location of Well: 350 feet from the South line and 1,720 feet from the West line				
Ground level Elev. 3,320'	Producing Formation Blinebry	Pool Blinebry-Gas	Dedicated Acreage: 80 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: Brent D Lockhart

Printed Name: Brent D. Lockhart

Position: Engineering Technician

Company: Marathon Oil Company

Date: March 5, 1993

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.: _____

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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

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P.O. Box 1980, Hobbs, NM 88240

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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

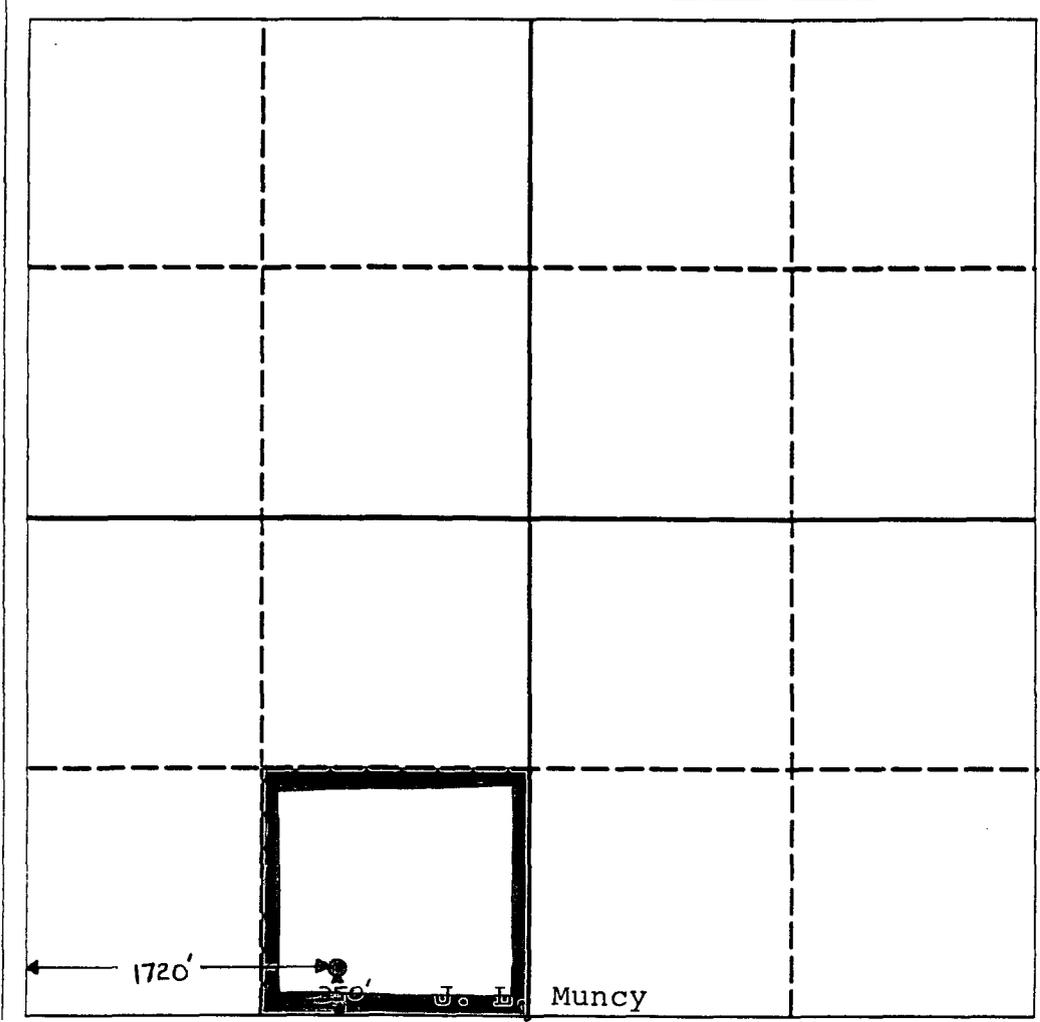
Operator Marathon Oil Company			Lease J. L. Muncy		Well No. 3
Unit Letter N	Section 24	Township 22-S	Range 37-E	County Lea	
Actual Footage Location of Well: 350 feet from the South line and 1,720 feet from the West line					
Ground level Elev. 3,320'	Producing Formation Drinkard Abo		Pool Brunson, South	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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).
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OPERATOR CERTIFICATION

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

Signature: *Brent D. Lockhart*

Printed Name: Brent D. Lockhart

Position: Engineering Technician

Company: Marathon Oil Company

Date: March 5, 1993

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.: _____

OFFSET OPERATORS

**J. L. MUNCY LEASE
LEA COUNTY, NEW MEXICO**

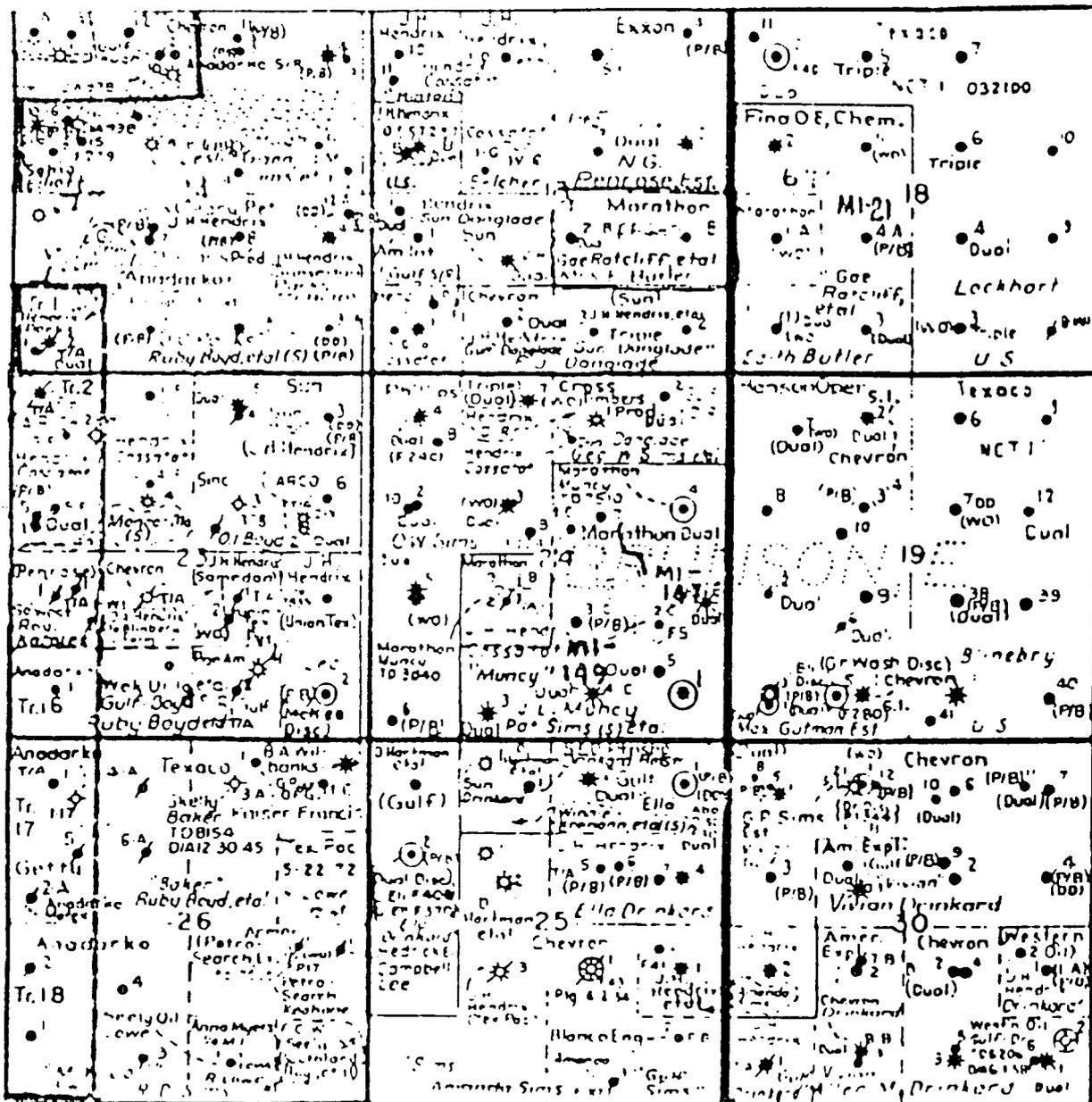
**John H. Hendrix Corporation
Suite 325
223 W. Wall
Midland, Texas 79702**

**Cross Timbers Operating Company
3000 N. Garfield St.
Midland, Texas 79705**

**Phillips Petroleum Company
600 W. Illinois Ave.
Midland, Texas 79702**

**Chevron USA, Inc.
P O Box 670
Hobbs, New Mexico 88240**

T
22
S



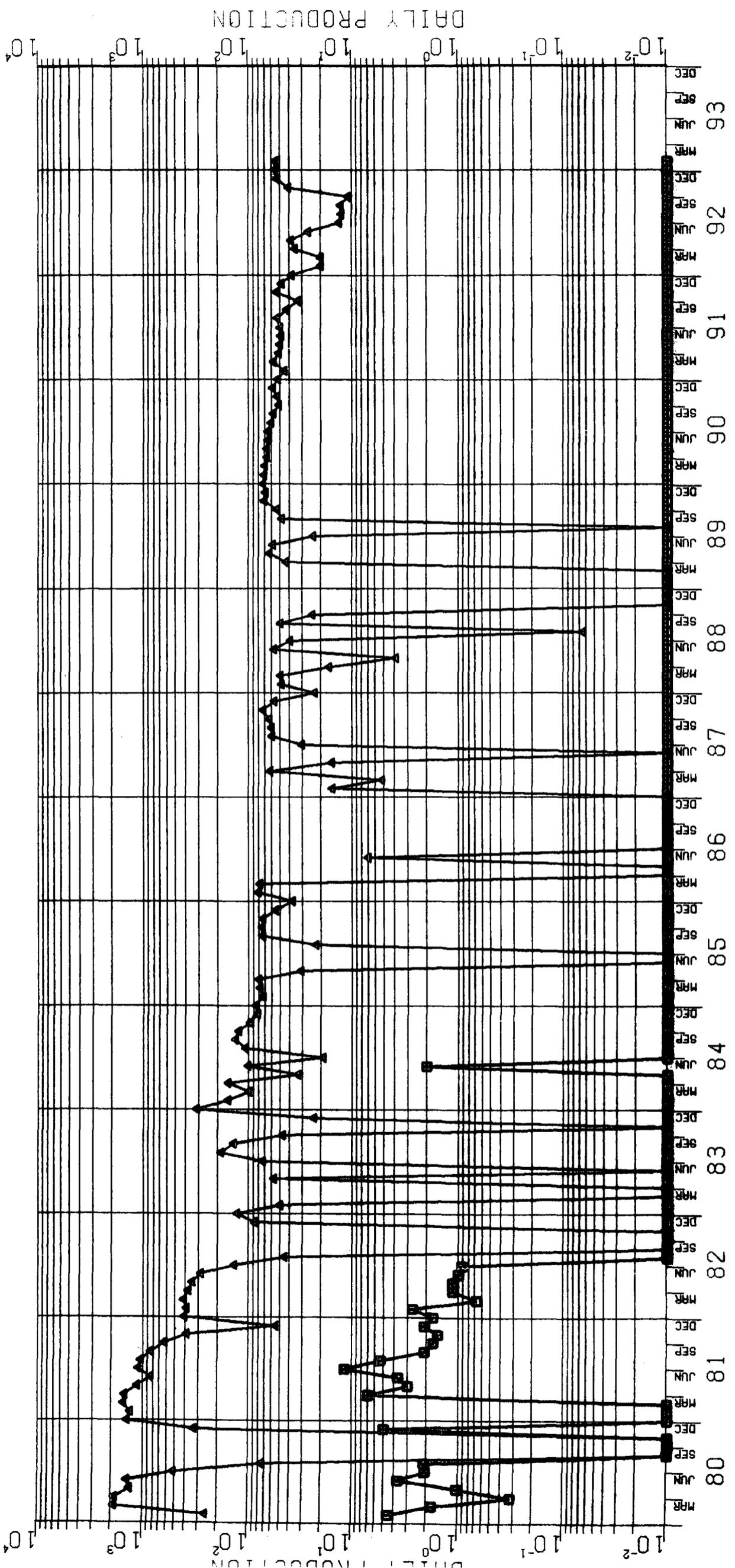
R-37-E

DRINKARD FIELD

J. L. MUNCY LEASE

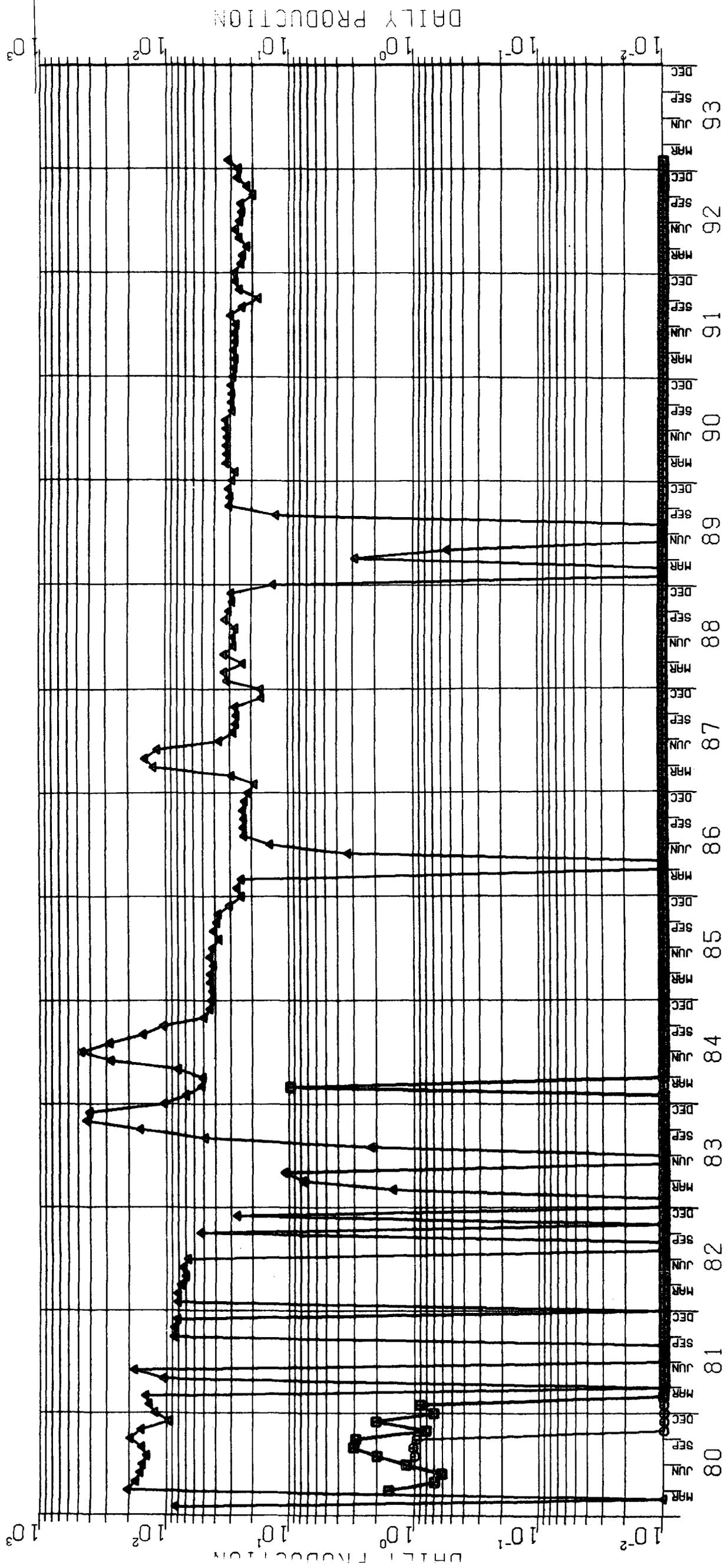
LEA COUNTY, NEW MEXICO

FIELD - DRINKARD
 RESERVOIR - BLINEBRY
 LEASE - MUNCY J. L.
 WELL - J. L. MUNCY-NO. 3



O+C CALENDAR DLY AVG ————
 GAS CALENDAR DLY AVG ————

FIELD - DRINKARD
 RESERVOIR - S. BRUNSON DRNK-ABO
 LEASE - MUNCY J L
 WELL - J. L. MUNCY-NO. 3



O+C CALENDAR DLY AVG. —■—
 GAS CALENDAR DLY AVG. —▲—
 WTR CALENDAR DLY AVG. —○—