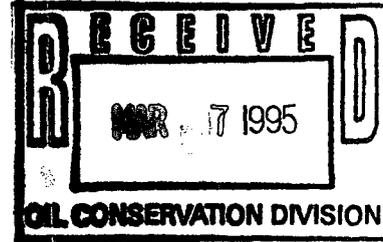


3-27-95

1108



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626



Mr. David Catanach
State of New Mexico
Oil Conservation Division
Energy and Minerals Department
2040 South Pacheo
Santa Fe, New Mexico 87505

RE: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache # 8-E
UL "K", 1685' FSL & 1685' FEL
Sec 27, T-26-N, R-5-W
Blanco Mesa Verde and Basin Dakota Pools
Jicarilla Field
Rio Arriba 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 the Mesa Verde and Basin Dakota zones in the referenced well.

A velocity string was installed in this well in Jan-94 to facilitate the reestablishment of Mesa Verde production. Commingling will allow for the more efficient operation of artificial lift equipment. Moreover downhole commingling would allow both zones to be artificially lifted to an abandonment BHP of 100 PSI, maximizing the productive life of the wellbore and reducing waste.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at 915-687-8324. Your prompt consideration of this issue is greatly appreciated.

Sincerely,

Thomas M Price

Thomas M. Price
Advanced Engineering Technician

REQUEST FOR EXCEPTION TO RULE 303A
JICARILLA APACHE # 8-E API# 30-039-22588
UL"K" 1685' FSL & 1685' FWL
SEC.27, T-26-N, R-5-W
RIO ARRIBA CO., NEW MEXICO
BLANCO MESA VERDE AND BASIN DAKOTA POOLS

A: Operator
 Marathon Oil Company
 P.O. Box 552
 Midland, Texas 79702

B: Plats and Offset Operators
 Attached

C: C-116's
 Attached

D: Production Decline Curves
 Attached

E: Estimated Bottomhole Pressures
 Mesa Verde 747 PSI @ 5250 Feet
 Basin Dakota 890 PSI @ 5250 Feet

F: Product Characteristics
 Previous commingling of these zones by other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.

G: Value
 Marathon receives the same price for product from both zones and value will not be adversely affected.

H: Production Allocation

<u>POOL</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>BWPD</u>
Mesa Verde	2	41	3
Basin Dakota	1	209	2
TOTAL	3	250	5

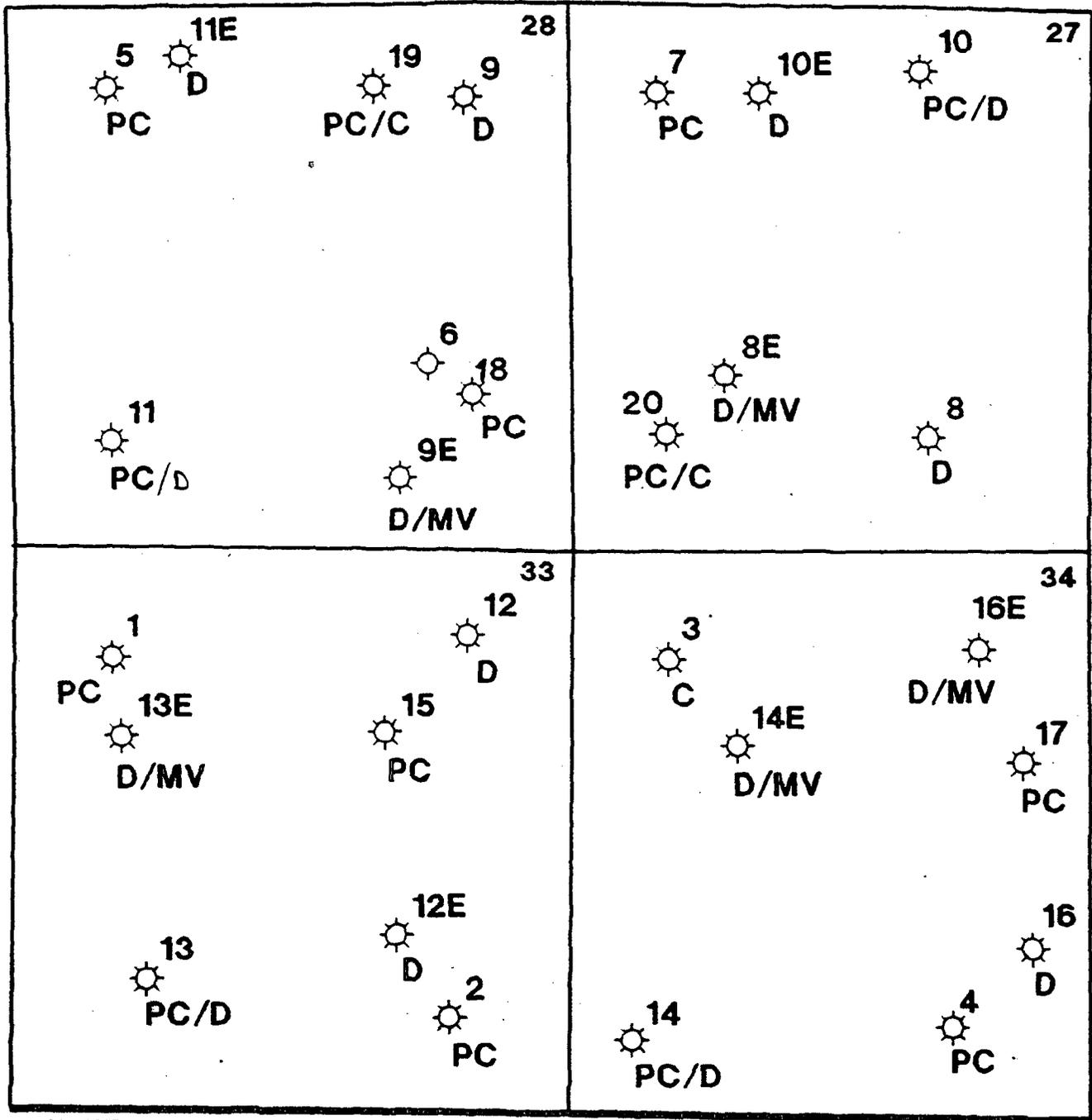
Allocated Percentages

<u>POOL</u>	<u>BOPD%</u>	<u>MCFPD%</u>	<u>BWPD</u>
Mesa Verde	66.7	16.4	60
Basin Dakota	33.3	83.6	40
TOTAL	100	100	100

I: Ownership
 Ownership of all zones is in common and correlative rights will not be compromised.

J: Offset Operator Notification
 By copy of this letter we are notifying all offset operators (see list, Item C) of the proposed commingling, by certified mail.

R 5 W



T
26
N

JC.AFE OPER

- PC PICTURED CLIFFS
- C CHACRA
- MV MESA VERDE
- D DAKOTA

MARATHON OIL COMPANY	MID-CONTINENT REGION
<h2>JICARILLA AREA</h2> <p>RIO ARRIBA COUNTY, NEW MEXICO</p>	
1/91	

**OFFSETTING OPERATORS TO MARATHON OIL COMPANY'S
JICARILLA APACHE LEASE
SECTIONS 27, 28, 33, & 34, T-26-N, R-5-W,
RIO ARRIBA COUNTY, NEW MEXICO**

**Amoco Production Company
P. O. Box 800
Denver, CO 80201-0800**

**Meridian Oil Inc.
P. O. Box 4289
Farmington, NM 87401-4289**

**Conoco Inc.
10 Desta Dr., Ste. 100W
Midland, TX 79705-4500**

**Merit Energy Corp.
P. O. Box 351
Midland, TX 79702-0351**

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

Form C-116
 Revised 1/1/89

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

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Blanco Mesa Verde				County Rio Arriba									
Address P.O. Box 552, Midland, TX 79702		TYPE OF TEST - (X) <input checked="" type="checkbox"/> S		Scheduled <input type="checkbox"/>		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	WATER BBL.S.	PROD. DURING TEST		GAS RATIO CU.FT/ BBL		
		U	S	T							R	OIL BBL.S.		GAS M.C.F.	
Jicarilla Apache	8E	K	27	26	5	2-27-95	64/64	144	M	24	2	58.0	2	41	20500
	9E	O	28	26	5	2/19/95	64/64	178	M	24	2	58.0	2	57	28500
	13E	E	33	26	5	2/17/95	64/64	200	M	24	0	58.0	2	78	39000
	14E	F	34	26	5	2/26/95	64/64	300	M	24	4	58.0	1	11	11000
	16E	A	34	26	5	2/21/95	64/64	212	M	24	1	58.0	1	59	59000
	INFORMATIONAL USE ONLY														

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.

Thomas M. Price

Signature
Thomas M. Price

Printed name and title
3/2/95

915-687-8324

Date **3/2/95** Telephone No. **915-687-8324**

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

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 Basin Dakota			County Rio Arriba										
Address P.O. Box 552, Midland, TX 79702		TYPE OF TEST - (X)		Scheduled <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 M.C.F.	GAS RATIO CU.FT./BBL		
		U	S	T						R	WATER BBL.S.			GRAV. OIL	OIL BBL.S.
Jicarilla Apache	8E	K	27	26	5	2/22/95	F 64/64	190	M	24	3	56.6	1	209	209000
	9 E	O	28	26	5	2/23/95	F 64/64	160	M	24	0	56.6	3	193	64333
	13E	E	33	26	5	2/18/95	F 64/64	142	M	24	4	56.6	2	132	66000
	14E	F	34	26	5	2/25/95	F 64/64	154	M	24	2	56.6	2	100	50000
	16E	A	34	26	5	2/16/95	F 64/64	139	M	24	3	56.6	2	174	87000
INFORMATIONAL USE ONLY															

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Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60°F.
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 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.

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 Signature

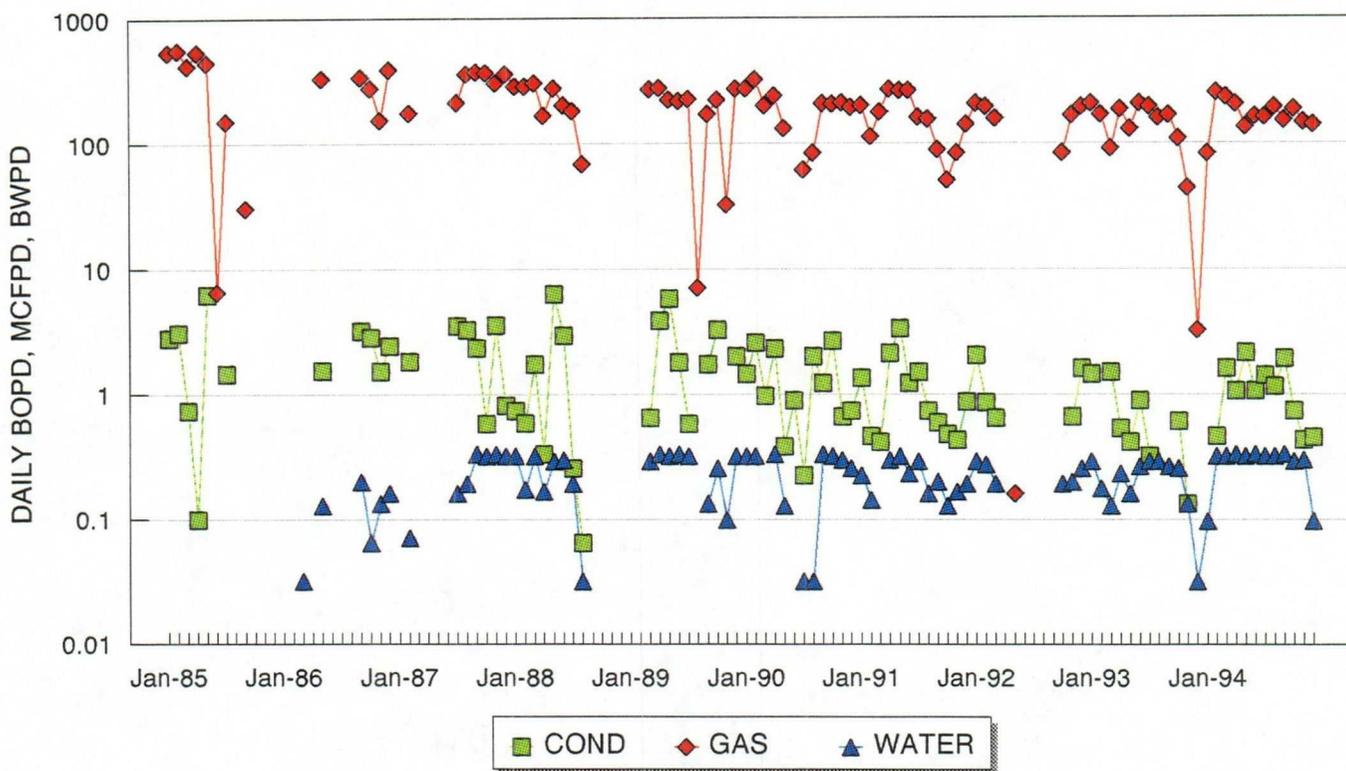
Thomas M. Price
 Printed name and title

3/2/95
 Date

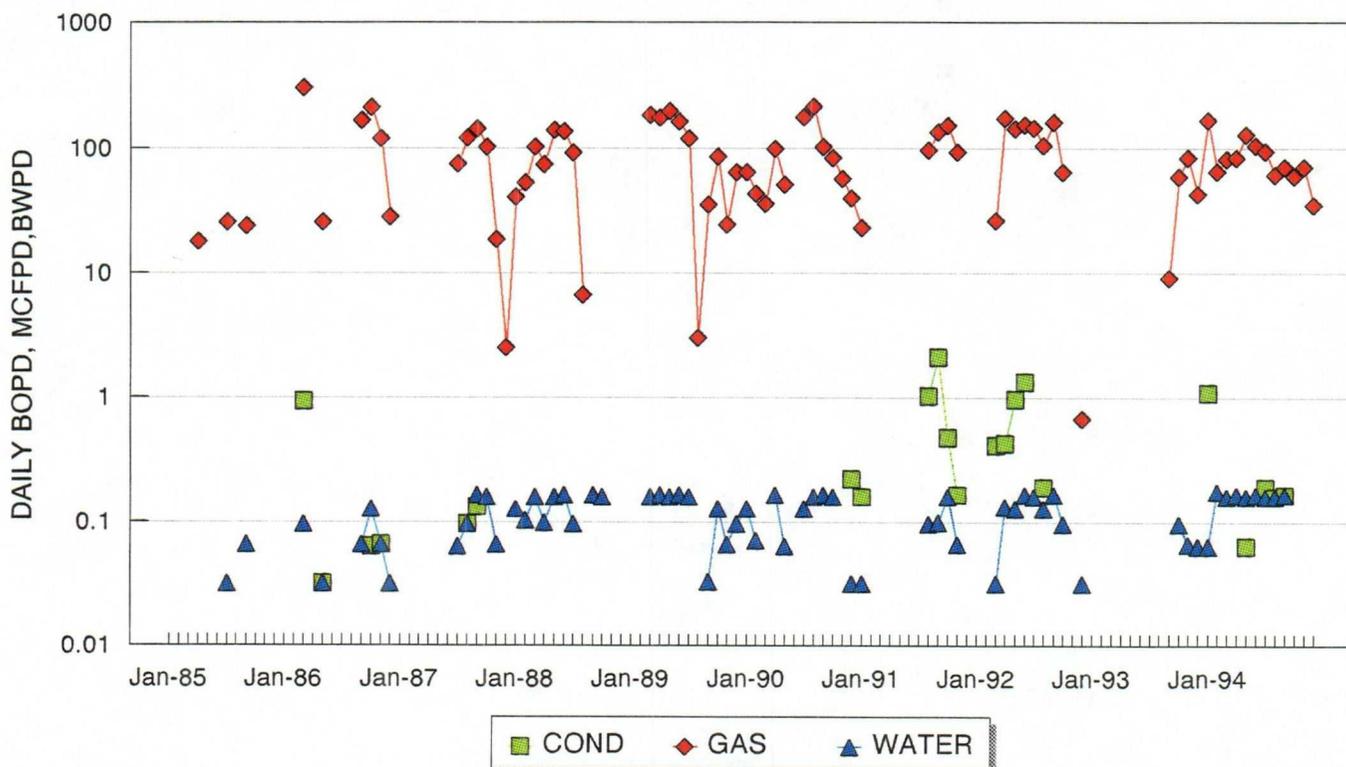
915-687-8324
 Telephone No.

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

**JICARILLA APACHE # 8-E
BASIN DAKOTA**



**JICARILLA APACHE 8-E
BLANCO MESA VERDE**



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

5. Lease Designation and Serial No.
Tract 251 Contract 154

6. If Indian, Allottee or Tribe Name
Jicarilla Apache

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Jicarilla Apache 8 E

9. API Well No.
30-039-22588

10. Field and Pool, or exploratory Area
Jic / Basin Dakota, Mesa Verde

11. County or Parish, State
Rio Arriba NM

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Marathon Oil Company

3. Address and Telephone No.
P.O. Box 552, Midland, TX 79702 915-687-8324

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL "K", 1685 FSL & 1685 FWL
Section 27, T-26-N, R-5-W

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other <u>Downhole Commingle</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Marathon Oil Company is applying to the New Mexico Oil Conservation Division for permission to downhole commingle the Blanco Mesa Verde and Basin Dakota pool in this well. Upon receiving approval from the NMOCD, the coiled tubing will be unseated and raised to a depth which will optimize production from both zones. The estimated start date is upon approval of the DHC Permit from the NMOCD.

14. I hereby certify that the foregoing is true and correct

Signed Thomas M. Price Title Advanced Engineering Tech. Date 3/2/95

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201-0800

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
Sec. 27, T-26-N, R-5-W
Mesa Verde and Basin Dakota Pools
Jicarilla Field
Rio Arriba County, New Mexico

Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to downhole commingle the referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, please sign below and mail the original to the NMOCD, 2040 South Pacheco, Santa Fe, NM 87505, Attn: David Catanach.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas M. Price'.

Thomas M. Price
Advanced Engineering Technician

TMP/9510/r
Enclosure

Agreed and accepted this _____ day of _____ 1995

by _____, as representative of



**Marathon
Oil Company**

P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Meridian Oil Inc.
P. O. Box 4289
Farmington, New Mexico 87401-4289

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
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Thomas M. Price
Advanced Engineering Technician

TMP/9510/tr
Enclosure

Agreed and accepted this _____ day of _____ 1995

by _____, as representative of



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
Sec. 27, T-26-N, R-5-W
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Thomas M. Price
Thomas M. Price
Advanced Engineering Technician

TMP/9510/r
Enclosure

Agreed and accepted this _____ day of _____ 1995

by _____, as representative of



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 3, 1995

Merit Energy Corp.
P. O. Box 351
Midland, Texas 79702-0351

Re: Request for Exception to Rule 303-A
Downhole Commingling
Jicarilla Apache No. 8E
UL "K" 1685' FSL & 1685' FWL
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Thomas M. Price
Advanced Engineering Technician

TMP/9510/r
Enclosure

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by _____, as representative of
