

**Marathon Oil Company
Wm Turner Lease
Exception Request to Rule 303
Surface Commingle Pools (Oil & Gas)**

19.15.5 .303.B(3)b

(i) List of leases

Wm Turner N2/ SE4, 80 acres, UL's I & J, Sec 29, T-21-S, R-37-E

List of Pools to be Surface Commingled (Oil & Gas)

Blinebry Oil & Gas (06660)
Eunice San Andres (24150)
Paddock (49210)
Penrose Skelly Grayburg (50350)
Wantz Abo (62700)

List of Wells

API No.

Legal Location

William Turner No. 4	30-025-27261	"J", Sec 29, T-21-S, R-37-E
William Turner No. 5	30-025-37070	"J", Sec 29, T-21-S, R-37-E
William Turner No. 6	30-025-37071	"J", Sec 29, T-21-S, R-37-E
William Turner No. 7	30-025-37072	"T", Sec 29, T-21-S, R-37-E
William Turner No. 8	30-025-37076	"T", Sec 29, T-21-S, R-37-E

Well

Pool

William Turner No. 4	Blinebry (06660) / Wantz Abo (62700)
William Turner No. 5	Eunice San Andres (24150)
William Turner No. 6	Penrose Skelly Grayburg (50350)
William Turner No. 7	Penrose Skelly Grayburg (50350)
William Turner No. 8	Paddock (49210)

(ii) Method of Allocation – Metering and Well Test

The William Turner No. 5 has been determined to be capable of making in excess of allowable production rates for the Eunice San Andres pool. This well will be sent to a 3 phase separator and gas and oil production will be metered for the well before the production is then sent to the common battery. At this time the well is producing to a 3 phase separator on the well location. Liquids are being sent to a frac tank on location and gauged with color cut to determine the amount of oil being recovered. Gas production is being metered off the 3 phase separator and then sent to the common facility for sales in the gas sales meter. The totals for oil, and gas will be deducted from monthly gas and oil production and the remainder will be allocated to the other producing wells based on well tests for each well.

Marathon is in the process of setting a permanent 3 phase separator at the common battery to route well No. 5 through to capture the San Andres production volumes.

Marathon does not anticipate that the Grayburg completions nor the Paddock completion will be capable of making in excess of allowable production rates. If the wells were to come on with excess production Marathon will be setting 3 phase separators to separately meter production from those formations before commingling for sales in the common battery. The current active producing well, the William Turner No. 4 is producing at a rate below unit allowable for the two pools in which it is completed.

(iii) Certification by qualified petroleum landman.

Please find attached a letter from Ms. Wyn Emerson, land representative for Marathon Oil Company, verifying that the ownership interests in the WM Turner lease is identical for the five pools we are requesting be permitted for surface commingling.

(iv) Notification to BLM or SLO

The WM Turner is a fee lease therefore no notice to the BLM or State Lands Office is required for this lease to be surface commingled.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27261		² Pool Code 6660		³ Pool Name Blinebry 011 & Gas (011)	
⁴ Property Code 6478		⁵ Property Name William Turner			⁶ Well Number 4
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3487 KB, 3474 GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
J	29	21-S	37-E		1980'	South	1980'	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Thomas P. Kacir</i> Signature</p> <p>Thomas P. Kacir Printed Name</p> <p>Production Engineer Title</p> <p>3/20/98 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor:</p> <p>_____ Certificate Number</p>

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

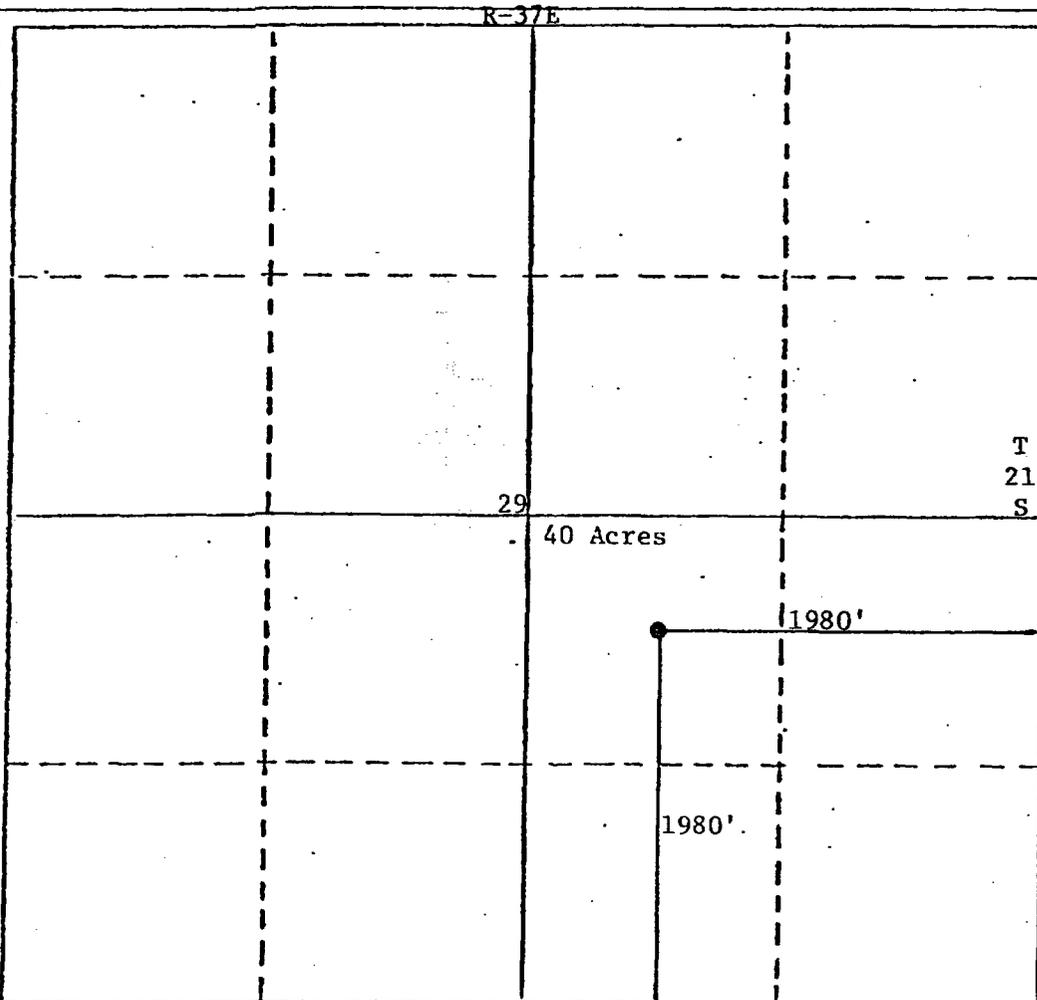
Operator Marathon Oil Company		Lease William Turner			Well No. 4
Unit Letter J	Section 29	Township 21S	Range 37E	County Lea	
Actual Footage Location of Well:					
1980 feet from the South line and		1980 feet from the East line			
Ground Level Elev. 3474	Producing Formation Wantz-Abo	Pool Wantz Abo		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Division.



CERTIFICATION

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

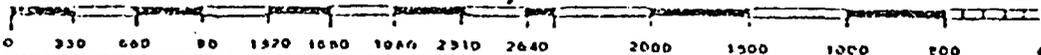
Name: *Thomas F. Zapatka*
 Thomas F. Zapatka
 Position: Production Engineer
 Company: Marathon Oil Company
 Date: September 8, 1982

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.

1-30-81
 Date Surveyed: John W. West
 Registered Professional Engineer and/or Land Surveyor

676

Certificate No.



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37070		² Pool Code 24150		³ Pool Name Emice San Andres	
⁴ Property Code 006478		⁵ Property Name William Turner			⁶ Well Number 5
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3480'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	29	21-S	37-E		2310'	South	2310	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Charles E. Kendrick</i> Signature Charles E. Kendrick Printed Name Engineering Technician cekendrix@marathonoil.com Title and E-mail Address 08/15/2005 Date	
				¹⁸ 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 belief. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number	

DISTRICT I
1220 S. FRANCIS DR., SANTA FE, NM 87505

DISTRICT II
1201 V. GRAND AVENUE, ALBUQUA, NM 80210

DISTRICT III
1000 Rio Grande Bl., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37071	Pool Code 50350	Pool Name Penerose Skelly Grayburg
Property Code 006478	Property Name WILLIAM TURNER	Well Number 6
OGRID No. 014021	Operator Name MARATHON OIL COMPANY	Elevation 3472'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	29	21-S	37-E		1650	SOUTH	1650	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40 ACRES	Joint or Infill	Consolidation Code	Order No.
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GEODETTIC COORDINATES
NAD 27 NME

Y=528266.7 N
X=855355.9 E

LAT.=32.44705° N
LONG.=103.18141° W

OPERATOR CERTIFICATION

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

Mike Mick
Signature

Mike Mick
Printed Name

Adv. Sr. Eng. Tech
Title

1-26-04
Date

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 belief.

JANUARY 18, 2004

Date Surveyed JR

Signature & Seal of Professional Surveyor

Gary Eidsos 1/24/05
04.11.1340

Certificate No. GARY EIDSON 12841

DISTRICT I
1626 N. FRANCIS DR., SHERBO, NM 86240

DISTRICT II
1304 W. GRAND AVENUE, ARTISIA, NM 86210

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

DISTRICT IV
1626 N. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37072	Pool Code 50350	Pool Name PENEROSE Skelly Grayburg
Property Code 006478	Property Name WILLIAM TURNER	Well Number 7
OCRD No. 014021	Operator Name MARATHON OIL COMPANY	Elevation 3467'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	29	21-S	37-E		2310	SOUTH	990	EAST	LEA

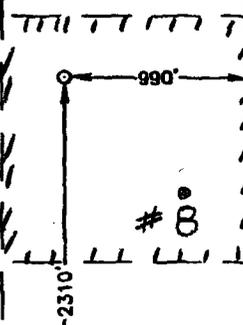
Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40 Acres	Joint or Infill	Consolidation Code	Order No.
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<p>GEODETC COORDINATES NAD 27 NME</p> <p>Y=528932.1 N X=856009.2 E</p> <p>LAT.=32°26'55.89" N LONG.=103°10'45.38" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>m7mick</i> Signature</p> <p>Mike Mick Printed Name</p> <p>Adv. Sr. Eng. Tech Title</p> <p>1-26-05 Date</p> <hr/> <p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>OCTOBER 12, 2004 Date Surveyed</p> <p>JR Signature & Seal of Professional Surveyor</p> <p><i>Gary Edson 10/17/04</i> 04.11.1341</p> <p>Certificate No. GARY EDSON 12841</p>
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1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
Energy, Minerals & Natural Resources

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

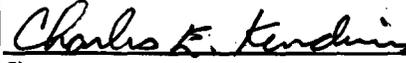
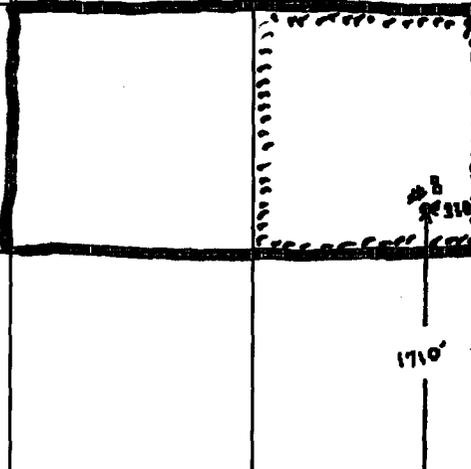
¹ API Number 30-025-37076		² Pool Code 49210		³ Pool Name Paddock	
⁴ Property Code 006478		⁵ Property Name William Turner			⁶ Well Number 8
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3466'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	29	21-S	37-E		1710'	South	330'	East	Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature
					Charles E. Kendrick Printed Name
					Engineering Technician cekendrix@marathonoil.com Title and E-mail Address
					08/15/2005 Date
					18 SURVEYOR CERTIFICATION <i>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 belief.</i>
					Date of Survey Signature and Seal of Professional Surveyer:
					Certificate Number

Southern U.S. Business Unit
Domestic Production



P.O. Box 3487
Houston, TX 77253-3487
Telephone 713/629-6600

August 15, 2005

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: MOC LSE 003988
Dayton Hardy Lease
N/2SE/4 Section 20,
T-21-S, R-37-E,
Lea County, New Mexico

To Whom It May Concern:

The purpose of this letter is to inform you of the ownership of different subsurface producing formations within the referenced lands so that we may surface commingle. The ownership of the Penrose Skelly Grayburg, Blinbry Oil & Gas, Wantz Abo, Eunice San Andres and Paddock formations are all identical.

Should you require any additional information concerning the ownership of this lease, please call me at (713) 296-2084.

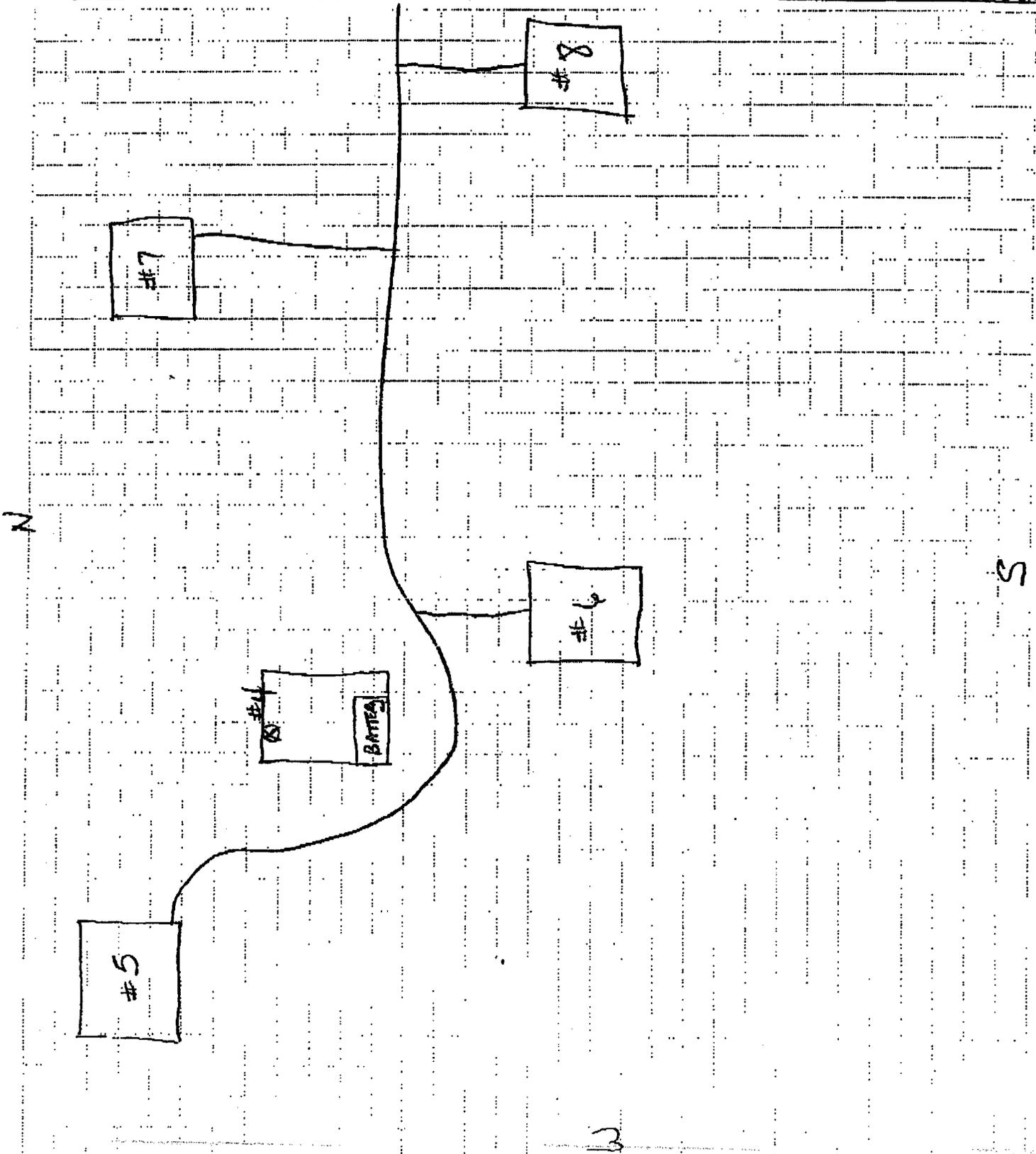
Sincerely,

A handwritten signature in cursive script that reads 'Wyn M. Emerson'.

Wyn M. Emerson
Landman

Date _____

Subject William Turner Wells





Marathon
Oil Company

FACILITY DESCRIPTION: PRODUCTION FACILITY
MDC FILENAME: WM Turner.dwg

William Turner Commingled
Battery

SCALE	DWN C.	KENDRIX	DATE	DATE	DATE	FIELD/ AREA	DRAWING NO.	SHT NO	REV
NONE			08/16/05	08/05/02		Hobbs	1	1	D
	APP:		DATE						



#4

To #5

