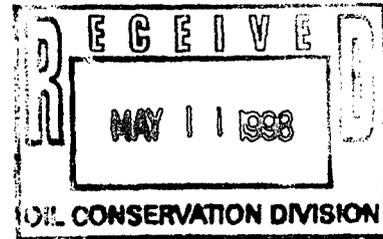




P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106  
1961

May 8, 1998

Mr. David Catanach  
Oil Conservation Department  
Energy and Minerals Department  
P.O. Box 2088  
Santa Fe, New Mexico 87501



**RE: Request for Exception to Rule 303-A  
Downhole Commingling  
William Turner Well No. 4  
Unit Letter J, 1980' FSL & 1980' FEL  
Section 29, T-21-S, R-37-E  
Blinebry Oil & Gas and Wantz Abo  
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 Oil & Gas and Wantz Abo pools in Lea County, New Mexico. Marathon also request a 30 day exception to Rule 303-A to permit the downhole commingling of production while awaiting for approval of application. If application is not approved, then the well will be worked over to produce only the Blinebry Oil & Gas pool.

The Wantz Abo has marginal production. A recent workover isolated the Wantz Abo below a bridge plug. Next pay was added in the Blinebry Oil & Gas zones. Currently production is from the Blinebry Oil & Gas pool only. The RBP will be removed and the two pools will be downhole commingled. By downhole commingling the production from the two zones, production will be realized that could not economically justify the cost of equipment to separate the zones. Rod pumping equipment will be utilized to keep the PBHP as low as possible, preventing crossflow.

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, ext 201.

Sincerely,

Handwritten signature of Thomas P. Kacir.

Thomas P. Kacir  
Production Engineer

TPK/dbc  
Enclosure

**REQUEST FOR EXCEPTION TO RULE 303-A**  
**William Turner Well No. 4**  
**Drinkard Field**

**A: Operator**

Marathon Oil Company  
P.O. Box 2409  
Hobbs, New Mexico 88240-2409

**B: Lease Name and Well Number**

William Turner Well No. 4  
Unit Letter J, 1980' FSL & 1980' FEL  
Section 29, T-21-S, R-37-E  
Lea County, New Mexico  
Drinkard: Blinebry Oil & Gas, Wantz Abo Pools

**C: Plats and Offset Operators**

Attached

**D: C-116's**

Attached

**E: Production Decline Curves**

Attached

**F: Estimated Bottomhole Pressures**

	Current
Blinebry Oil & Gas	750 psi
Wantz Abo	500 psi

**G: Product Characteristics**

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

**H: Value**

Marathon receives the same price for product from these zones and value will not be adversely affected.

**I: Production Allocation**

<u>POOL</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Methods</u>
Blinebry Oil & Gas	34	218	19	Post Workover Production
Wantz Abo	<u>13</u>	<u>37</u>	<u>0</u>	Pre-Workover Production
Total	47	255	19	

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
Post-workover utilizing above production			
Blinebry Oil & Gas	72.3	85.5	100.0
Wantz Abo	<u>27.7</u>	<u>14.5</u>	<u>0.0</u>
Total	100	100	100

**J: Ownership**

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

**K: 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.

Marathon Oil

William Turner well No. 4

4L "J", Sec. 29  
T-21-S, R-37-E  
N/2, SE/4

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32						
33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65					
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965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002

MIDLAND

PADDOCK(S) ANGELO I  
UNIT  
EXON OPER

UNION

KARD

CENTRAL

CHEVRON IOPER

WATER OIL

**OFFSETTING OPERATORS**  
**William Turner Well No. 4**  
**UL "J", 1980' FSL, 1980' FEL**  
**Section 29, T-21-S, R-37-E**  
**Lea County, New Mexico**  
**Drinkard Field**

American Exploration Company  
1331 Lamar St., Ste. 900  
Houston, Texas 77010

John H. Hendrix Corp.  
P.O. Box 3040  
Midland, Texas 79702-3040

Altura Energy Ltd.  
P.O. Box 4294  
Houston, Texas 77210-4294

Zia Energy Inc.  
P.O. Box 2219  
Hobbs, New Mexico 88241

Chevron USA Inc.  
P.O. Box 1150  
Midland, Texas 79702

Titan Resources L.P.  
400 W. Texas Ave., Ste. 500  
Midland, Texas 79701

Hawkins Oil and Gas Inc.  
400 S. Boston Ave., Ste. 800  
Tulsa, Oklahoma 74103-5052

Mid-Continent Region  
Production United States



P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

Altura Energy Ltd.  
P.O. Box 4294  
Houston, Texas 77210-4294

RE: **Request for Exception to Rule 303-A**  
**Downhole Commingling**  
**William Turner Well No. 4**  
**Unit Letter J, 1980' FSL & 1980' FEL**  
**Section 29, T-21-S, R-37-E**  
**Blinebry Oil & Gas, Wantz Abo**  
**Drinkard Field**  
**Lea County, New Mexico**

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Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to downhole commingling production permit in the above 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 in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

  
Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 1998

by \_\_\_\_\_, as representative of

Mid-Continent Region  
Production United States



P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

Chevron USA Inc.  
P.O. Box 1150  
Midland, Texas 79702

**RE: Request for Exception to Rule 303-A  
Downhole Commingling  
William Turner Well No. 4  
Unit Letter J, 1980' FSL & 1980' FEL  
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Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

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by \_\_\_\_\_, as representative of



P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

Hawkins Oil and Gas Inc.  
400 S. Boston Ave., Ste. 800  
Tulsa, Oklahoma 74103-5052

**RE: Request for Exception to Rule 303-A  
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William Turner Well No. 4  
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Production Engineer

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\_\_\_\_\_

Mid-Continent Region  
Production United States



**Marathon  
Oil Company**

P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

John H. Hendrix Corp  
P.O. Box 3040  
Midland, Texas 79702-3040

RE: **Request for Exception to Rule 303-A  
Downhole Commingling  
William Turner Well No. 4  
Unit Letter J, 1980' FSL & 1980' FEL  
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*Thomas P. Kacir*  
Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

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by \_\_\_\_\_, as representative of

\_\_\_\_\_

Mid-Continent Region  
Production United States



P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

Titan Resources Incorporated  
400 W. Texas Ste. 500  
Midland, Texas 79701

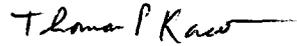
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by \_\_\_\_\_, as representative of



**Marathon  
Oil Company**

P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

American Exploration Company  
1331 Lamar St., Ste. 900  
Houston, Texas 77010

RE: **Request for Exception to Rule 303-A  
Downhole Commingling  
William Turner Well No. 4  
Unit Letter J, 1980' FSL & 1980' FEL  
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Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

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by \_\_\_\_\_, as representative of

\_\_\_\_\_

Mid-Continent Region  
Production United States



P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

Zia Energy Inc.  
P.O. Box 2219  
Hobbs, New Mexico 88241

RE: **Request for Exception to Rule 303-A  
Downhole Commingling  
William Turner Well No. 4  
Unit Letter J, 1980' FSL & 1980' FEL  
Section 29, T-21-S, R-37-E  
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Drinkard Field  
Lea County, New Mexico**

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Production Engineer

A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

TPK/  
Enclosure

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 1998

by \_\_\_\_\_, as representative of

\_\_\_\_\_

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

Form C-116  
Revised 1/1/89

Submit 2 copies to Appropriate District Office.  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
811 S. 1st Street, Artesia, NM 88210-2834  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

### GAS - OIL RATIO TEST

Operator <b>Marathon Oil Company</b>		Pool <b>Blinebry Oil &amp; Gas (011)</b>		County <b>Lea</b>		
Address <b>P.O. Box 2409 Hobbs, NM 88240</b>		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>		
LEASE NAME <b>William Turner</b>	WELL NO. <b>4</b>	LOCATION			LENGTH OF TEST HOURS <b>24</b>	GAS-OIL RATIO CU.FT/BBL <b>6412</b>
		U	S	T		
DATE OF TEST <b>5/04/98</b>		CHOKE SIZE		PROD. DURING TEST		
TBG. PRESS. <b>TP-250 CP-30</b>		DAILY ALLOWABLE		GRAV. OIL <b>34</b>		
SCHEDULED		DAILY ALLOWABLE		WATER BBL'S <b>19</b>		
DATE OF TEST <b>5/04/98</b>		CHOKE SIZE		OIL BBL'S <b>218</b>		

**For Information 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 P. Kacir*  
Signature

**Thomas P. Kacir** Production Engineer

Printed name and title

**5-08-98**

Date

**505-393-7106**

Telephone No.

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

State of New Mexico  
Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
2040 Pacheco St.  
Santa Fe, NM 87505

Form C-116  
Revised 1/1/89

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

**GAS - OIL RATIO TEST**

Operator <b>Marathon Oil Company</b>		Pool <b>Lea</b>		County <b>Lea</b>		
Address <b>P.O. Box 2409 Hobbs, NM 88240</b>		Wanted Abo		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>		
LEASE NAME <b>William Turner</b> <b>Abo is currently SI below RBP</b>	WELL NO. <b>4</b>	TYPE OF TEST - (X)			LENGTH OF TEST HOURS <b>24</b>	GAS-OIL RATIO CU.FT/BBL <b>2846</b>
		STAIRS	CHOKE SIZE	TBG. PRESS.		
DATE OF TEST <b>3/04/98</b>		SCHEDULED		PROD. DURING TEST		
LOCATION		SCHEDULED		GRAV. OIL		
U	S	T	R	OIL BBLs.		
<b>J</b>	<b>29</b>	<b>21</b>	<b>37</b>	<b>13</b>		
DATE OF TEST		SCHEDULED		WATER BBLs.		
DATE OF TEST		SCHEDULED		<b>0</b>		
DATE OF TEST		SCHEDULED		GAS M.C.F.		
DATE OF TEST		SCHEDULED		<b>37</b>		

**For Information Only**

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Signature

**Thomas P. Kacir**  
Printed name and title

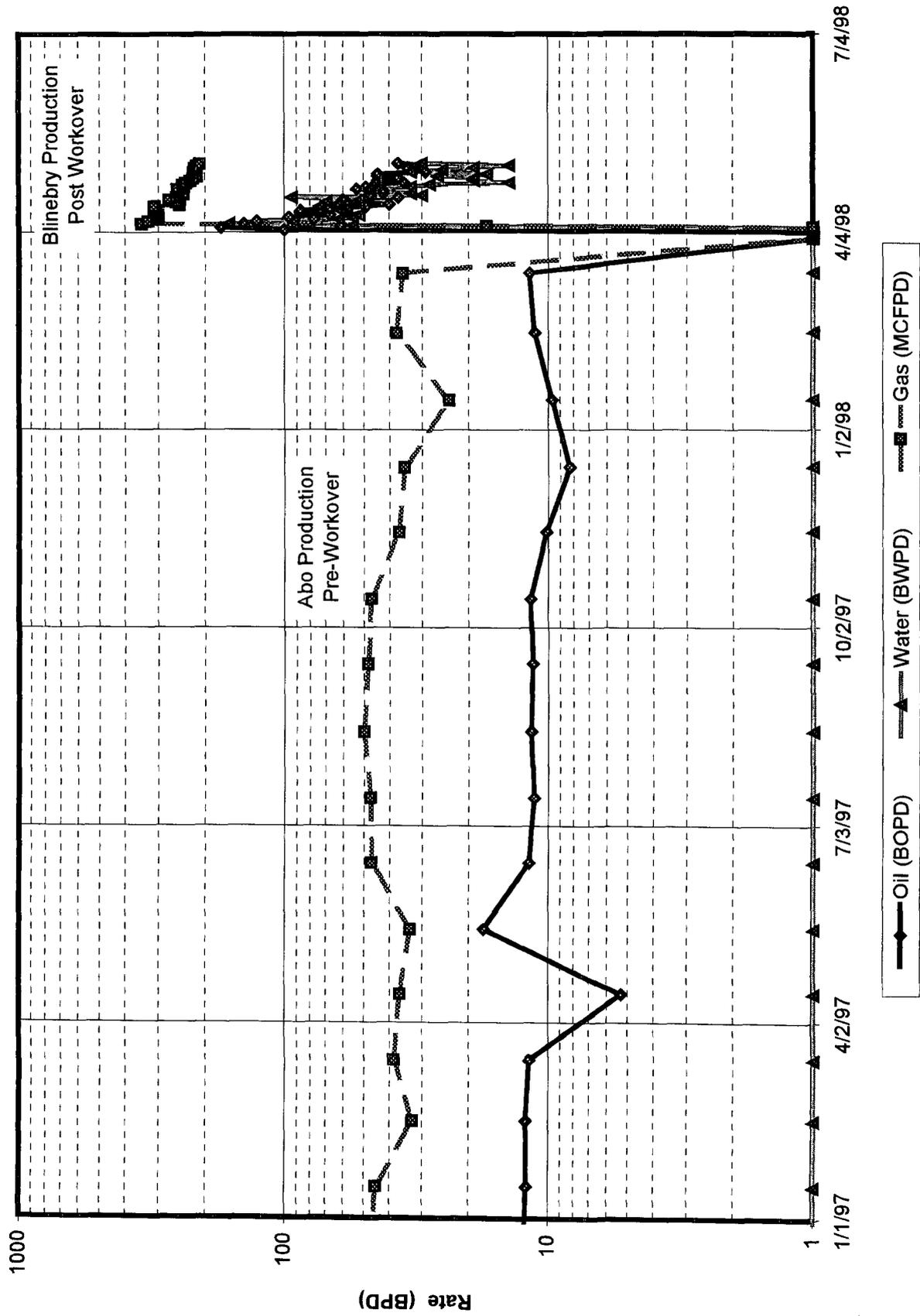
**Production Engineer**

**5-08-98**  
Date

**505-393-7106**  
Telephone No.

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

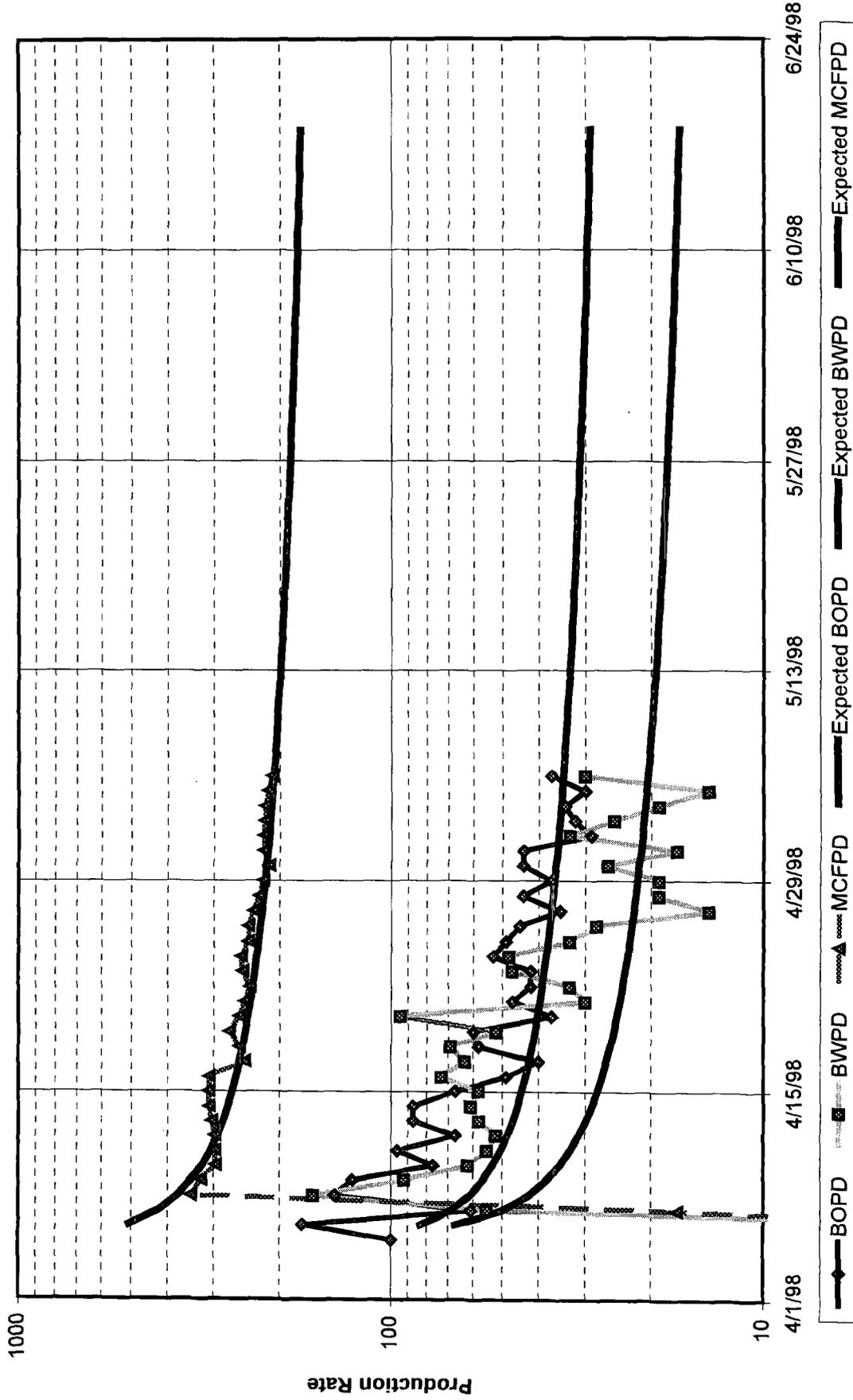
# William Turner Well No. 4



Sec 29, T-21-S, R-37-E  
1980' FSL 1980' FEL

Blinebry / Abo  
DHC Application

William Turner Well No. 4  
Blinebry Production



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

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

<sup>10</sup> 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

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><sup>17</sup> OPERATOR CERTIFICATION  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Thomas P. Kacir</i>        Signature        Thomas P. Kacir        Printed Name        Production Engineer        Title        3/20/98        Date</p>
	<p><sup>18</sup> 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></p> <p>_____        Date of Survey        Signature and Seal of Professional Surveyor:        _____        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 <b>Marathon Oil Company</b>		Lease <b>William Turner</b>			Well No. <b>4</b>
Unit Letter <b>J</b>	Section <b>29</b>	Township <b>21S</b>	Range <b>37E</b>	County <b>Lea</b>	

Actual Footage Location of Wells:							
<b>1980</b>	feet from the	<b>South</b>	line and	<b>1980</b>	feet from the	<b>East</b>	line
Ground Level Elev. <b>3474</b>	Producing Formation <b>Wantz-Abo</b>		Pool <b>Wantz Abo</b>		Dedicated Acreage: <b>40</b> Acres		

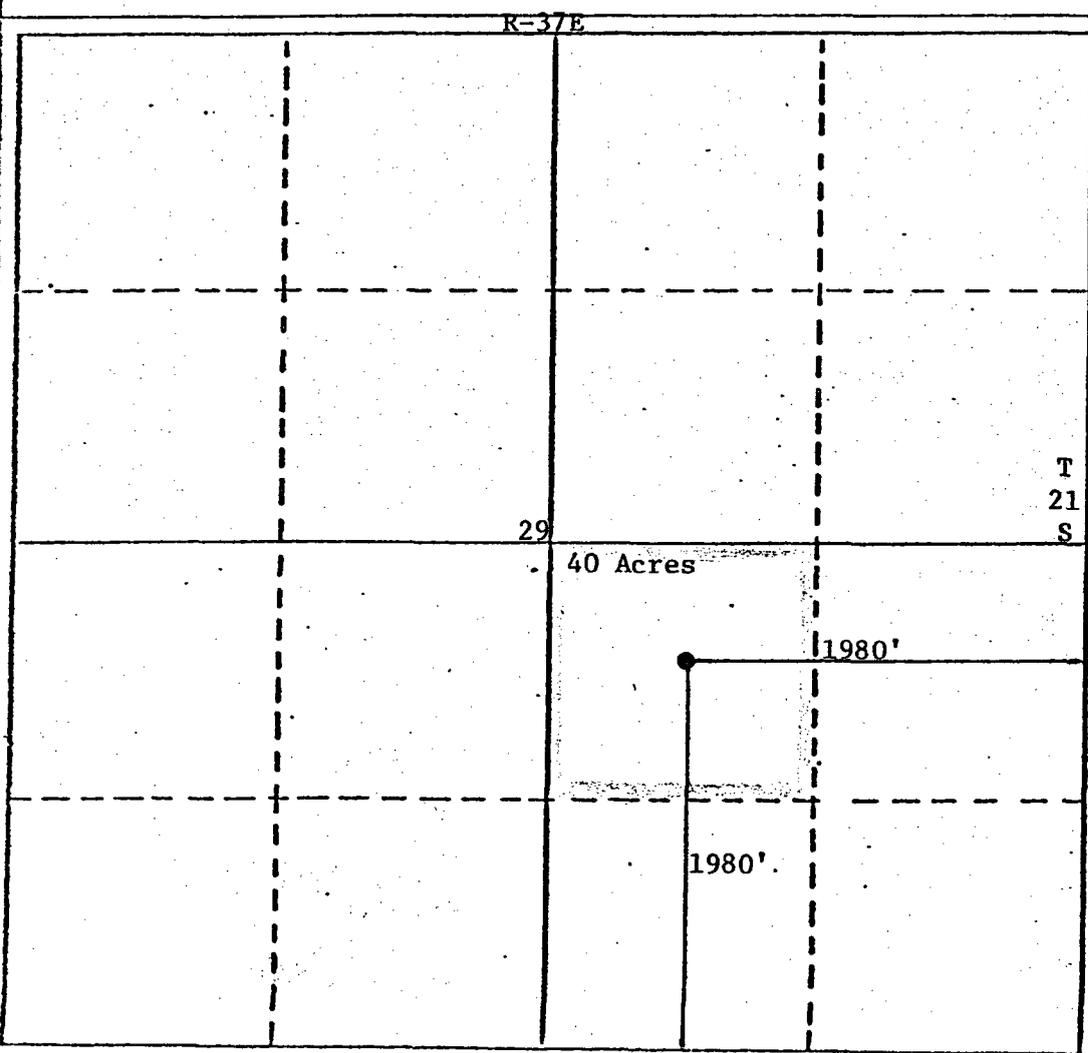
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is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

RECEIVED  
2 FEB 1985  
MARATHON OIL CO.



**CERTIFICATION**

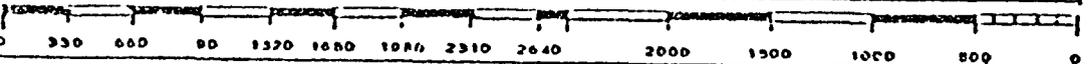
*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Name Thomas F. Zaparka  
 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.



**EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A**

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

**DISTRICT II**  
811 South First St., Artesia, NM 88210

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-A  
New 3-12-96

**OIL CONSERVATION DIVISION**

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

\_\_\_ Administrative \_\_\_ Hearing

EXISTING WELLBORE

YES \_\_\_ NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

Operator Marathon Oil Company Address PO Box 2409 Hobbs, NM 88240

Case No. William Turner Well No. 4 Unit Ctr. - Sec - Twp - Rge U1, J, Sec 29, T-21-S, R-37-E County Lea

OGRID NO. 014021 Property Code 6478 API NO. 30-025-27261 Spacing Unit Lease Types: (check 1 or more)  
Federal \_\_\_ State \_\_\_ (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Blinebry Oil & Gas 6660	N/A	Wantz Abo 62700
2. Top and Bottom of Pay Section (Perforations)	5726-5762'	N/A	6797-7165'
3. Type of production (Oil or Gas)	Oil	N/A	Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift	N/A	Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 750	a. N/A	a. 500
	b. (Original) N/A	b. N/A	b. N/A
6. Oil Gravity (°API) or Gas BTU Content	37°	N/A	39°
7. Producing or Shut-In?	Producing	N/A	Shut-In
Production Marginal? (yes or no)  • If Shut-In, give date and oil/gas/water rates of last production  Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data  • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Yes	N/A	Yes
	Date: N/A Rates: N/A	Date: N/A Rates: N/A	Date: 3/4/98 Rates: 13/37/0
	Date: 5/4/98 Rates: 34/218/19	Date: N/A Rates: N/A	Date: N/A Rates: N/A
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 72.3 % Gas: 85.5 %	Oil: -- % Gas: -- %	Oil: 27.7 % Gas: 14.5 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?  Yes \_\_\_ No  
If not, have all working, overriding, and royalty interests been notified by certified mail?  Yes \_\_\_ No  
Have all offset operators been given written notice of the proposed downhole commingling?  Yes \_\_\_ No

11. Will cross-flow occur? \_\_\_ Yes  No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. \_\_\_ Yes \_\_\_ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other?  Yes \_\_\_ No

13. Will the value of production be decreased by commingling? \_\_\_ Yes  No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. \_\_\_ Yes \_\_\_ No

15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). \_\_\_\_\_

**16. ATTACHMENTS:**

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Thomas P. Kacir TITLE Production Eng. DATE 5/8/98

TYPE OR PRINT NAME Thomas P. Kacir TELEPHONE NO. ( 505 ) 393-7106



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

5/13/98

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____ X _____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

*Marathon Oil Co* *William Turner* # *4-J-29-215-370*  
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*Recommend approval*

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Yours very truly,

Chris Williams  
Supervisor, District 1

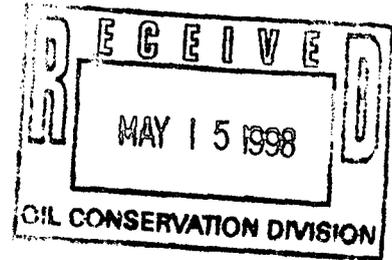
/ed



P.O. Box 2409  
Hobbs, NM 88241-2409  
Telephone 505/393-7106

May 8, 1998

Zia Energy Inc.  
P.O. Box 2219  
Hobbs, New Mexico 88241



RE: **Request for Exception to Rule 303-A  
Downhole Commingling  
William Turner Well No. 4  
Unit Letter J, 1980' FSL & 1980' FEL  
Section 29, T-21-S, R-37-E  
Blinebry Oil & Gas, Wantz Abo  
Drinkard Field  
Lea County, New Mexico**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to downhole commingling production permit in the above 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 in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

Agreed and accepted this 12<sup>th</sup> day of May 1998  
by Watt Nelson, as representative of  
Zia Energy, Inc.