

DHC

10/13/98

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

SEP 21 1998

September 15, 1998

Attn: Lori Wrotenbery
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

Re: B. M. Marcus Well No. 2
API No. 30-025-27949
Unit C, Sec. 20, T20S, R38E
Lea County, New Mexico

2118

Dear Ms. Wrotenbery,

Amerada Hess Corporation respectfully request approval to downhole commingle oil and gas production from B. M. Marcus Well No. 2 recently dually completed in Skaggs Drinkard and Warren Tubb pools.

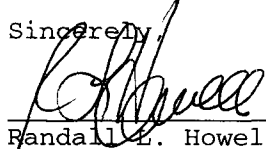
Production will be allocated based on following percentages:

	Oil	Gas
Skaggs Drinkard	50%	30%
Warren Tubb	50%	70%

Enclosed are Form C-107-A and supporting documents for your review.

If additional information is needed, please contact us at your earliest convenience.

Sincerely,



Randall E. Howell
Sr. Petroleum Engineer

Mr. Chris Williams - NMOCD, Hobbs.

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

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Amerada Hess Corporation P. O. Box 840 Seminole, Texas 79360
Operator Address
B. M. Marcus 2 C-20-T20S-R38E Lea
Lease Well No. Unit Ltr. - Sec - Twp - Rge County
OGRID NO. 000495 Property Code 000125 API NO. 30-025-27949 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	Warren Tubb		Skaggs Drinkard
2. Top and Bottom of Pay Section (Perforations)	6493' - 6660'		6674' - 6899'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 760 PSIG b. (Original)	a. b.	a. 800 PSIG (Est.) b.
6. Oil Gravity (°API) or Gas BTU Content	38.2 @ 86°		38.7 @ 85°
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	No		Yes
* 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)	Date: Rates: Date: 8-1-98 Rates: 8 B.O./D., 14 MCFGPD & 1 B.W./D.	Date: Rates: Date: Rates:	Date: Rates: Date: 9-2-98 Estimated Rates: 8 B.O./D. 6 MCFGPD & 31 B.W./D.
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 50 % Gas: 70 %	Oil: % Gas: %	Oil: 50 % Gas: 30 %

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 ☐ No11. 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 ☐ No13. 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  TITLE Sr. Petroleum Engr. DATE 9-15-98

TYPE OR PRINT NAME Randall L. Howell TELEPHONE NO. (915) 758-6700

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1994

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27949	² Pool Code 57000	³ Pool Name Skaggs Drinkard
⁴ Property Code 000125	⁵ Property Name B. M. Marcus	⁶ Well Number
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁹ Elevation 3547' GL

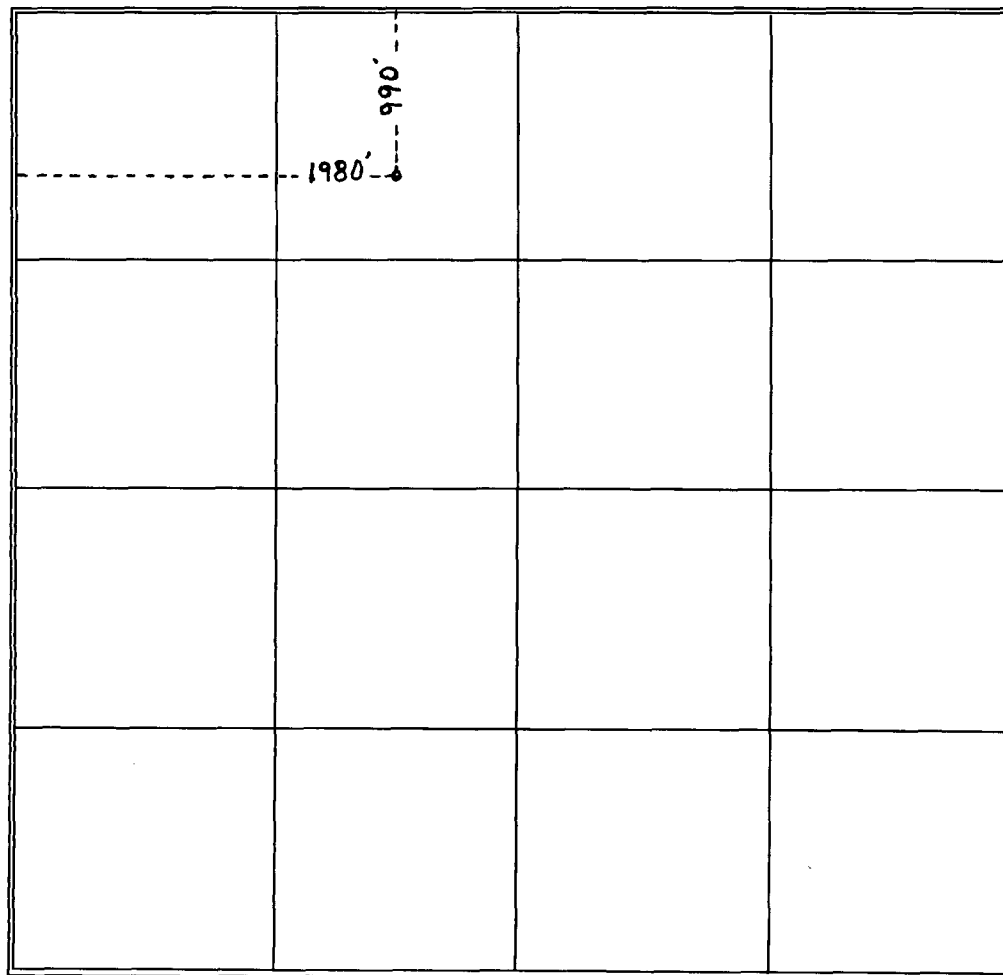

¹⁰ Surface Location

UL or lot no. C	Section 20	Township 20S	Range 38E	Lot. Idn	Feet from the 990	North/South Line North	Feet from the 1980	East/West line West	County Lea
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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.						

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

	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 Randall L. Howell Printed Name Sr. Petroleum Engr. Title 9-15-98 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 Surveyor:
	Certificate Number

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
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⁴ Property Code 000125	⁵ Property Name B. M. Marcus	⁶ Well Number
⁷ OGRID No. 000495	⁸ Operator Name Amerada Hess Corporation	⁹ Elevation 3547' GL

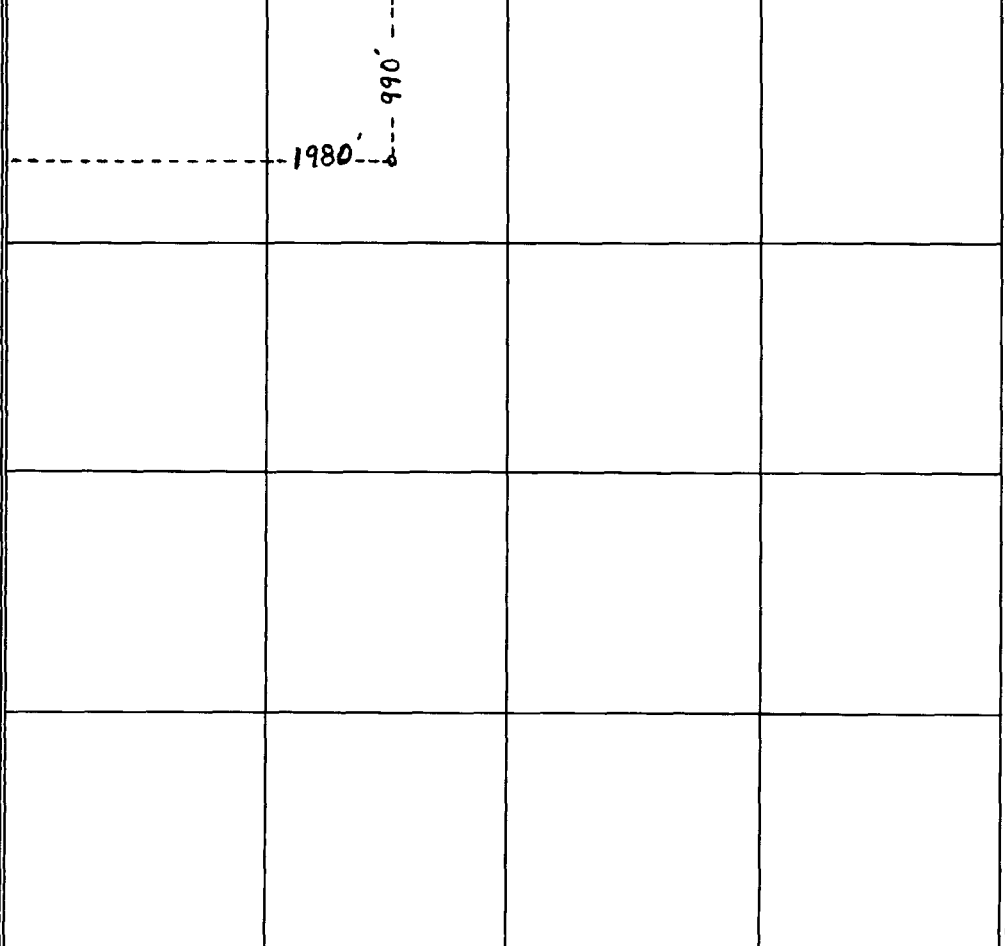

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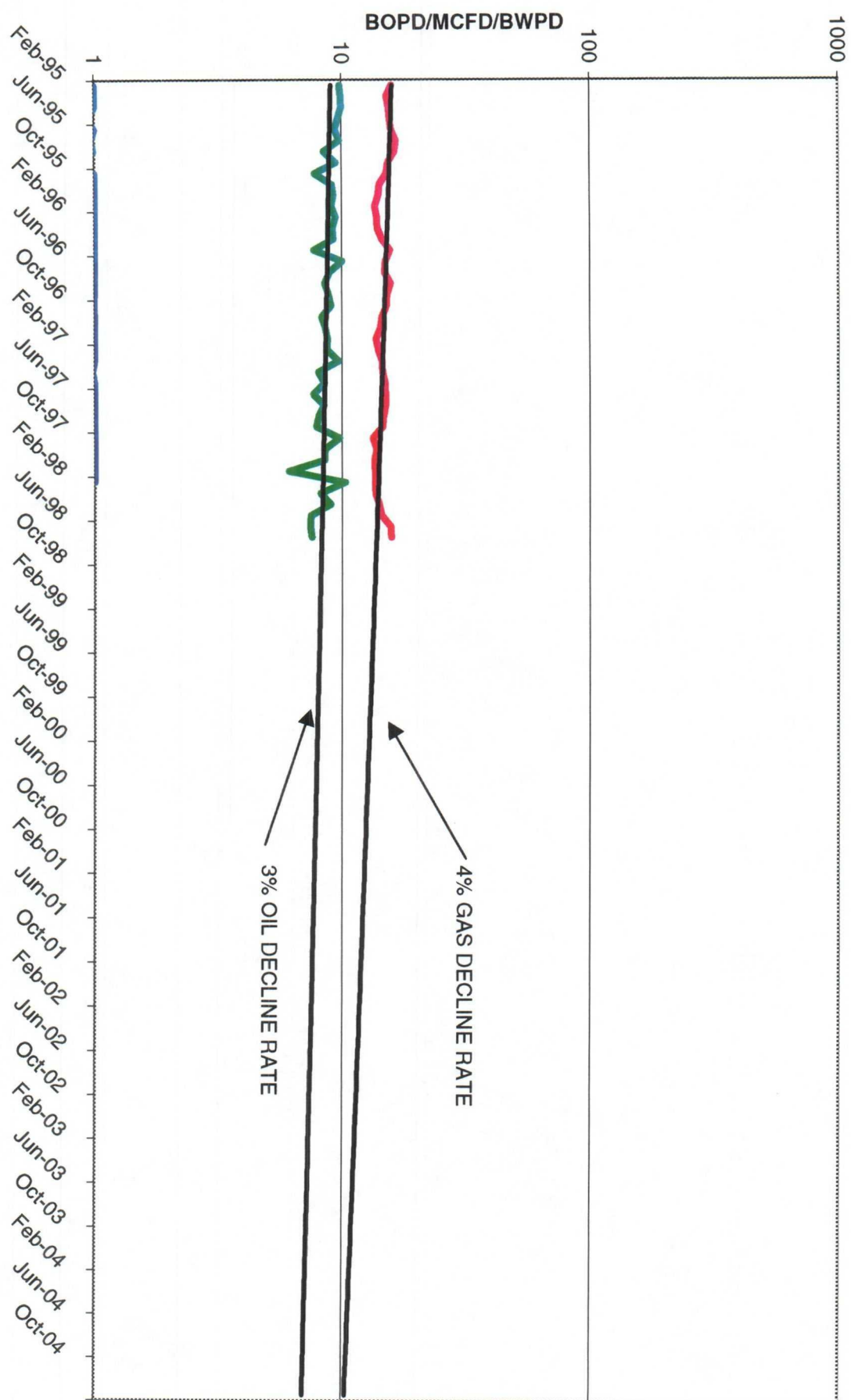
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**B.M. MARCUS #2 TUBB PROJECTED PRODUCTION
OIL DECLINE 3%, GAS DECLINE 4%**

DATE	BOPD	BWPD	MCFD		DATE	BOPD	BWPD	MCFD
Aug-97	8	1	14		Sep-00	8	1	12
Sep-97	8	1	14		Oct-00	8	1	12
Oct-97	8	1	14		Nov-00	8	1	12
Nov-97	8	1	14		Dec-00	8	1	12
Dec-97	8	1	14		Jan-01	8	1	12
Jan-98	8	1	14		Feb-01	8	1	12
Feb-98	8	1	14		Mar-01	8	1	12
Mar-98	8	1	14		Apr-01	8	1	12
Apr-98	8	1	14		May-01	8	1	12
May-98	8	1	14		Jun-01	8	1	12
Jun-98	8	1	14		Jul-01	8	1	12
Jul-98	8	1	14		Aug-01	8	1	12
Aug-98	8	1	14		Sep-01	8	1	12
Sep-98	8	1	14		Oct-01	8	1	12
Oct-98	8	1	14		Nov-01	8	1	12
Nov-98	8	1	14		Dec-01	8	1	12
Dec-98	8	1	13		Jan-02	8	1	12
Jan-99	8	1	13		Feb-02	8	1	12
Feb-99	8	1	13		Mar-02	7	1	12
Mar-99	8	1	13		Apr-02	7	1	12
Apr-99	8	1	13		May-02	7	1	12
May-99	8	1	13		Jun-02	7	1	12
Jun-99	8	1	13		Jul-02	7	1	12
Jul-99	8	1	13		Aug-02	7	1	11
Aug-99	8	1	13		Sep-02	7	1	11
Sep-99	8	1	13		Oct-02	7	1	11
Oct-99	8	1	13		Nov-02	7	1	11
Nov-99	8	1	13		Dec-02	7	1	11
Dec-99	8	1	13		Jan-03	7	1	11
Jan-00	8	1	13		Feb-03	7	1	11
Feb-00	8	1	13		Mar-03	7	1	11
Mar-00	8	1	13		Apr-03	7	1	11
Apr-00	8	1	13		May-03	7	1	11
May-00	8	1	13		Jun-03	7	1	11
Jun-00	8	1	13		Jul-03	7	1	11
Jul-00	8	1	13		Aug-03	7	1	11
Aug-00	8	1	13		Sep-03	7	1	11

BM MARCUS #2 - TUBB



B. M. Marcus – Offset Operators

Conoco, Inc.
10 Desta Dr., Ste. 100W,
Midland, Tx. 79705

Dallas McCasland
P. O. Box 755
Hobbs, New Mexico 88241

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

September 15, 1998

Conoco, Inc.
10 Desta Dr., Ste. 100W
Midland, Texas 79705

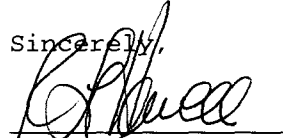
Re: Application to Downhole Commingle
B. M. Marcus Well No. 2
Lea County, New Mexico

Dear Sir,

Attached, for your information, is a copy of application with supporting documents filed with State of New Mexico Oil Conservation Division requesting approval to downhole commingle B. M. Marcus Well No. 2

If addition information is needed, please contact me at 915 758-6700.

Sincerely,


Randall L. Howell

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

September 15, 1998

Mr. Dallas McCasland
P. O. Box 755
Hobbs, New Mexico 88241


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B. M. Marcus Well No. 2
Lea County, New Mexico

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If addition information is needed, please contact me at 915 758-6700.

Sincerely,



Randall L. Howell

Z 437 801 851

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to	
Dallas McCawland	
Street & Number	
P.O. Box 755	
Post Office, State, & ZIP Code	
Hobbs, NM 88241	
Postage	\$
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.13
Postmark or Date	
SEP 19 1995	

PS Form 3800, April 1995

Z 437 801 852

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to	
CONOCO, Inc.	
Street & Number	
10 N. 1st St., STE. 100W	
Post Office, State, & ZIP Code	
Midland, TX 79705	
Postage	\$
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.13
Postmark or Date	
SEP 13 1995	

PS Form 3800, April 1995

AMERADA HESS CORPORATION
DIVISION ORDER OWNERSHIP
LIVE DIVISION ORDER OWNERSHIP BY PROPERTY

TRACT FACTOR: 1.0000000

PAGE: 1
REPORT #TDO10001
RUN DATE: 08/06/98 TIME: 16:04

PROPERTY-TRACT: 01522-0000 MARCUS, B M
STATE: NEW MEXICO
COUNTY: LEA

DESCRIPTION: 80 ACRES DESCR AS NE/4 NW/4 E NW/4 NE/4 SEC 20-20S-38E
(AHC LEASE NM02030)

OWNER NUMBER	NAME AND ADDRESS	PAY/HOLD CODE	DESC TYPE	INTEREST DESC	OIL	GAS	COND	CSGHD	OTHER
00010	AMERADA HESS CORPORATION P O BOX 2040 HOUSTON, TX 77252-2040 TAX IDENTIFICATION: 134921002	80	ELM	11	WI	0.8750000	0.0000000	0.8750000	0.0000000
00316	SPINDLETOP EXPLORATION COMPANY INC P O BOX 50787 MIDLAND, TX 79710-0787 TAX IDENTIFICATION: 751895956	30	PAY	22	RI	0.0057690	0.0000000	0.0057690	0.0000000
08652	ESTATE OF B M MARCUS GLADYS L MARCUS RICHARD E MARCUS & ROBERT M DIGGS CO-TRUSTEES 1012 KING STREET CLEAN, NY 14760 TAX IDENTIFICATION: 166225706	30	PAY	22	RI	0.1000000	0.0000000	0.1000000	0.0000000
08759	ANIMAL DEFENSE LEAGUE 11215 IOTA SAN ANTONIO, TX 78217 TAX IDENTIFICATION: 746002033	30	PAY	22	RI	0.0019230	0.0000000	0.0019230	0.0000000
08764	SAN ANTONIO IND. SCHOOL DIST. FOR BENEFIT OF ELOISE JAPHET ELEMENTARY SCHOOL C/O BUSINESS OFFICE 141 LAVACA SAN ANTONIO, TX 78210 TAX IDENTIFICATION: 746002167	30	PAY	22	RI	0.0019230	0.0000000	0.0019230	0.0000000
08765	GOLDEN MANOR JEWISH HOME FOR THE AGED 130 SPENCER LANE SAN ANTONIO, TX 78201 TAX IDENTIFICATION: 746061449	30	PAY	22	RI	0.0019230	0.0000000	0.0019230	0.0000000

OWNER NUMBER	NAME AND ADDRESS	PAY/HOLD CODE	INTEREST DESC	OIL	GAS	COND	CSGHD	OTHER
08766	SAN ANTONIO ASSN FOR THE BLIND E B BRANCE VICE PRESIDENT 2305 ROOSEVELT AVE SAN ANTONIO, TX 78210-4920 TAX IDENTIFICATION: 741339051	30	PAY 22 RI	0.0019230	0.0000000	0.0000000	0.0019230	0.0000000
08767	SUNSHINE COTTAGE SCHOOL FOR DEAF CHILDREN SABRINA DANNHEIM BUSINESS MANAGER 103 TULETA DRIVE SAN ANTONIO, TX 78212 TAX IDENTIFICATION: 741143132	30	PAY 22 RI	0.0019230	0.0000000	0.0000000	0.0019230	0.0000000
08769	TEXAS STATE TREAS UCP DIVISION A/C UNITED CEREBRAL PALSY ASSN OF THE ALAMO AREA INC P O BOX 12019 AUSTIN, TX 78711-2019 TAX IDENTIFICATION: 741772818	07	ANP 22 RI	0.0019230	0.0000000	0.0000000	0.0019230	0.0000000
08772	TEMPLE BETH-EL MEMORIAL FUND RICHARD HUNTER, ADMINISTRATOR 211 BELKNAP SAN ANTONIO, TX 78212 TAX IDENTIFICATION: 741246242	30	PAY 22 RI	0.0009620	0.0000000	0.0000000	0.0009620	0.0000000
08795	GUIDING EYES FOR THE BLIND, INC. ATTN: MARTIN YABLONSKI 611 GRANITE SPRINGS ROAD YORKTOWN HEIGHTS, NY 10598 TAX IDENTIFICATION: 131854606	30	PAY 22 RI	0.0019230	0.0000000	0.0000000	0.0019230	0.0000000
08797	TEMPLE EMANU-EL JOE ABRAMS, EXECUTIVE DIRECTOR 8500 HILLCREST ROAD DALLAS, TX 75225 TAX IDENTIFICATION: 750808773	30	PAY 22 RI	0.0009620	0.0000000	0.0000000	0.0009620	0.0000000
10164	JEWISH FEDERATION OF SAN ANTONIO ROBERT POSNER DIRECTOR 8434 AHERN SAN ANTONIO, TX 78216 TAX IDENTIFICATION: 741109662	30	PAY 22 RI	0.0019230	0.0000000	0.0000000	0.0019230	0.0000000

OWNER NUMBER	NAME AND ADDRESS	PAY/HOLD CODE	INTEREST DESC	TYPE	DESC	OIL	GAS	COND	CSGHD	OTHER
29420	M-C PROD AND DRILLING COMPANY INC P O BOX 9909 LONGVIEW, TX 75608-9909 TAX IDENTIFICATION: 752123859	30	PAY	22	RI	0.0019230	0.0000000	0.0000000	0.0019230	0.0000000

*** THIS INFORMATION IS BEING PROVIDED TO YOU AS AN ACCOMMODATION ONLY. AMERADA HESS CORPORATION MAKES NO WARRANTY ***
*** OR REPRESENTATION AS TO THE ACCURACY OR CORRECTNESS OF THIS INFORMATION, AND PARTIES RELYING ON SUCH INFORMATION ***
*** DO SO AT THEIR OWN RISK AND WITHOUT RECOURSE AGAINST AMERADA HESS CORPORATION, OR ANY OF ITS AGENTS OR EMPLOYEES. ***

***** END OF REPORT *****