

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 87505-6429

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Marathon Oil Company Address PO Box 2490 Hobbs, NM 88240

Lessee Samuel Burns 34 State Well No. 2 Unit Loc. - Sec - Twp - Rge E 34 18S 28E County Eddy

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 14021 Property Code 23057 API NO. 30-015-30315 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	Wolfcamp 96833		Upper Penn 59860
2. Top and Bottom of Pay Section (Perforations)	8770-8818'		9673-9763'
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: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 2000	a.	a. 2000
	b. (Original) 2150	b.	b. 2000
6. Oil Gravity (° API) or Gas BTU Content	42		45
7. Producing or Shut-In?	Producing		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		Yes
	Date: Rates:	Date: Rates:	Date: 8/9/98 Rates: Swab Test 7/1/63 Est. GOR 9000
	Date: 1/30/99 Rates: 4/6/77	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 36 % Gas: 55 %	Oil: % Gas: %	Oil: 64 % Gas: 45 %

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 Andrew J. Schwandt TITLE Production Engineer DATE 2/4/99

TYPE OR PRINT NAME Andrew J. Schwandt TELEPHONE NO. (505) 393-7106

REQUEST FOR EXCEPTION TO RULE 303-A
S. Burns '34' No. 2
Travis Field

A: Operator

Marathon Oil Company
P.O. Box 2409
Hobbs, NM 88241-2409

B: Lease Name and Well Number

Samuel Burns '34' No. 2
UL E 1876' FNL & 490' FWL
Sec. 34, T-18-S, R-28-E
Eddy Co., New Mexico
Travis: Wolfcamp and Upper Penn

C: Plats and Offset Operators

Attached

D: Form C-116

Attached

E: Production Decline Curves

Attached

F: Estimated Bottomhole Pressures

Travis (Wolfcamp) - ± 2000 psi
Travis (Upper Penn) - ± 2000 psi

G: Fluid Characteristics

Marathon is currently surface commingling (R-11112) production from the Travis, Wolfcamp and Travis Upper Penn Pools with no compatibility problems.

H: Value

Marathon receives the same price for the products from each zone and value will not be adversely affected.

I: Production Allocation

<u>Pool</u>	<u>BOPD</u>	<u>MCFPD</u>	<u>BWPD</u>	<u>Test Method</u>
Travis (Wolfcamp)	4	77	6	1/30/99 Test
Travis (Upper Penn)	$\frac{7}{11}$	$\frac{63}{140}$	$\frac{1}{7}$	8/9/98 Swab Test w/ est. 9,000 GOR

Allocated Percentages Oil % Gas % Water %

Post-workover utilizing above production

Travis (Wolfcamp)	36%	55%	86%
Travis (Upper Penn)	$\frac{64\%}{100}$	$\frac{45\%}{100}$	$\frac{14\%}{100}$
Total	100	100	100

J: Ownership

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

K: Offset Operator Notification

Marathon operates all of the offset units.

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

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

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Travis: Upper Penn / Wolfcamp		County Eddy											
Address P.O. Box 2490 Hobbs, NM 88240		TYPE OF TEST - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Completion		Special <input checked="" type="checkbox"/> X											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS M.C.F.	GAS-OIL RATIO CU/FT/BBL
		U	S	T	R							WATER BBL.S	OIL BBL.S		
Samuel Burns 34 State	2	E	34	18S	28E							6	4	77	19,250
DHC Application												1	1	63	9,000
Zone 011x Gasx															Est. GOR
Wolfcamp 36															
Upper Penn 64															
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.

Signature *Andrew J. Schwandt*

Printed name and title **Andrew J. Schwandt Production Engineer**

Date **February 2, 1999** Telephone No. **393-7106**

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

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 30-015-30315		² Pool Code 96833		³ Pool Name Wildcat, Travis - Wolfcamp	
⁴ Property Code 23057		⁵ Property Name Samuel Burns '34' State			⁶ Well Number 2
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3531

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
E	34	18 S	28 E		1876	N	490	W	Eddy

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>320 ACRE LEASE</p> <p>DEDICATED 40 ACRES</p> <p>1876'</p> <p>490'</p>	<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>Bryan L. Williams</i></p> <p>Signature</p> <p>Bryan L. Williams</p> <p>Printed Name</p> <p>Production Engineer</p> <p>Title</p> <p>8/10/98</p> <p>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>_____</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>_____</p> <p>Certificate Number</p>

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 70, Artesia, NM 88211-0710

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

AMENDED REPORT

DISTRICT III
1000 Elie Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2000, Santa Fe, NM 87504-2000

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name TRAVIS, UPPER PENNSYLVANIAN
Property Code 22057	Property Name SAMUEL BURNS 34 STATE	Well Number 2
OGSD No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3531

Surface Location

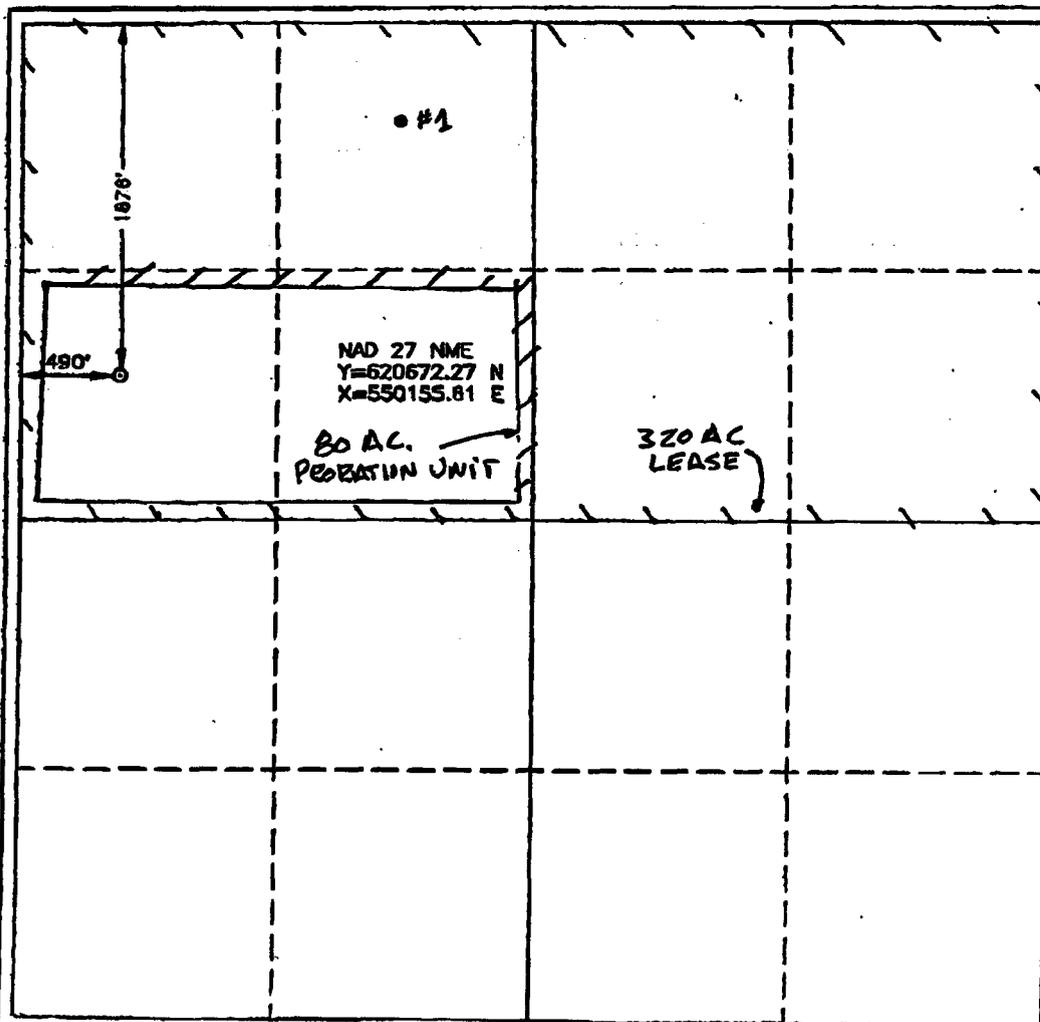
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
E	34	18 S	28 E		1876	NORTH	490	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80 5/2, NWA			

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



OPERATOR CERTIFICATION

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

W.J. Duncan
Signature

D.P. NOROT
Printed Name

DRILLING SUPV.
Title

6/18/98
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.

JUNE 15, 1998

Date Surveyed

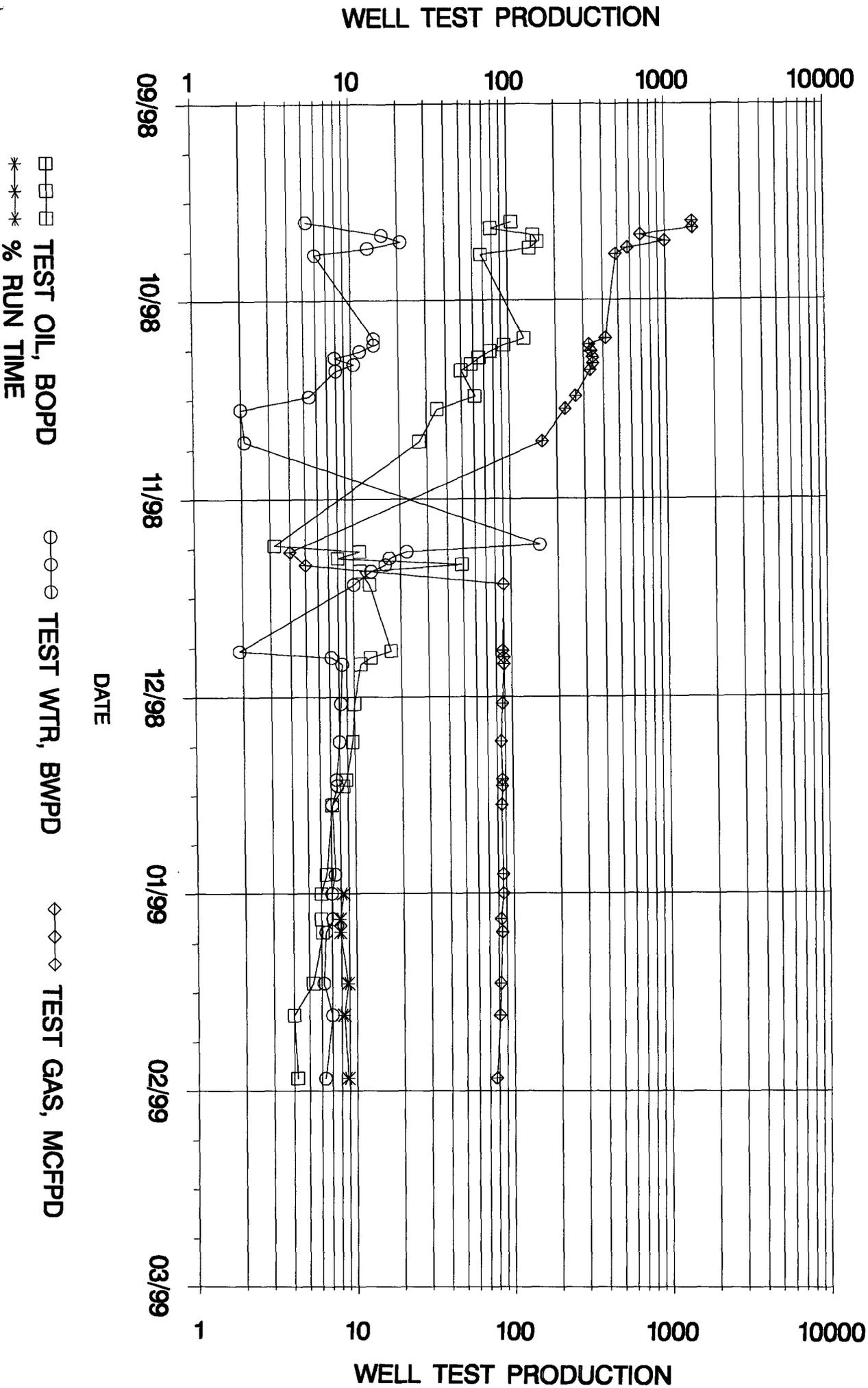
Signature: RONALD G. EDSON
Professional Surveyor

RONALD G. EDSON
NEW MEXICO
6-17-98

P.O. Num. 98-110903

Certificate No. RONALD G. EDSON, 3239
GARY D. EDSON, 12641
DONALD R. DONALD, 12185

Midland Operations
 SAMUEL BURNS 34 STATE SAMUEL E BURNS 34 STATE COM #2



2/25/99

Houston Division
Production Operations, United States

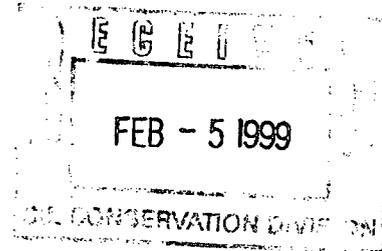


P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

2207

February 2, 1998

Mr. David Catanach
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501-2088



Re: Request for Exception to Rule 303-A
Downhole Commingling
Samuel Burns '34' No. 2
UL E, 1876' FNL & 490' FWL
Sec. 34, T-18-S, R-28-E
Wolfcamp and Upper Penn Pools
Travis Field
Eddy 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 Travis, Wolfcamp and Travis, Upper Penn pools.

The well is currently producing from the Wolfcamp, and it is reaching its producible economic limit. For this reason, Marathon is requesting to downhole commingle the Wolfcamp and Upper Penn to maximize the economical production from the well. Rod pumping equipment will be utilized to keep the PBHP as low as possible to prevent crossflow.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please advise.

Sincerely,

Andrew J. Schwandt
Production Engineer
(505) 393-7106

n:/reglatory/comming/dhc/coverpag/Burns2_B
Enclosure



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

February 2, 1998

Mr. Tim Gum
District 2 Supervisor
Oil Conservation Division
811 S. First St.
Artesia, NM 88210

Re: Request for Exception to Rule 303-A
Downhole Commingling
Samuel Burns '34' No. 2
UL E, 1876' FNL & 490' FWL
Sec. 34, T-18-S, R-28-E
Wolfcamp and Upper Penn Pools
Travis Field
Eddy County, New Mexico

Dear Mr. Gum:

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 Travis, Wolfcamp and Travis, Upper Penn pools.

The well is currently producing from the Wolfcamp, and it is reaching its producible economic limit. For this reason, Marathon is requesting to downhole commingle the Wolfcamp and Upper Penn to maximize the economical production from the well. Rod pumping equipment will be utilized to keep the PBHP as low as possible to prevent crossflow.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew J. Schwandt'.

Andrew J. Schwandt
Production Engineer
(505) 393-7106

n:/reglatory/comming/dhc/coverpag/Burns2_C
Enclosure



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

February 2, 1998

Mr. Pete Martinez
Commissioner of Public Lands
State Land Office Building
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Request for Exception to Rule 303-A
Downhole Commingling
Samuel Burns '34' No. 2
UL E, 1876' FNL & 490' FWL
Sec. 34, T-18-S, R-28-E
Wolfcamp and Upper Penn Pools
Travis Field
Eddy County, New Mexico

Dear Mr. Martinez:

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 Travis, Wolfcamp and Travis, Upper Penn pools.

The well is currently producing from the Wolfcamp, and it is reaching its producible economic limit. For this reason, Marathon is requesting to downhole commingle the Wolfcamp and Upper Penn to maximize the economical production from the well. Rod pumping equipment will be utilized to keep the PBHP as low as possible to prevent crossflow.

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Andrew J. Schwandt
Production Engineer
(505) 393-7106

n:/reglatory/comming/dhc/coverpag/Burns2_A
Enclosure