

Marathon

DATE IN 6/20/06	SUSPENSE 7-10-06	ENGINEER M. F. RE STOGNER	LOGGED IN 6/20/06	TYPE NSP	APP NO. 9 TDS 0617152641
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Blinchry

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

2006 JUN 20 PM 1:59

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>Charles E. Kendrick</u> Print or Type Name	<u>Charles E. Kendrick</u> Signature	<u>Regulatory Compliance Rep</u> Title	<u>6/13/06</u> Date
			<u>cekendrix@marathonoil.com</u> e-mail Address



Southern Business Unit

P. O. Box 3487
Houston, TX 77253-3487

5555 San Felipe Road
Houston, TX 77056-2799

Telephone: (713) 296-2096
FAX: (713) 499-6750

June 13, 2006

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

RE: W.S. Marshall B No. 4 Blinebry Gas

TO: Mr. Michael Stogner

Dear Mr. Stogner

This application is for a non-standard gas proration unit for the W.S. Marshall B No. 4 well (API # 30-025-06821). Marathon wishes to dedicate the 40 acres in UL "L", Section 27, Township 21 South, Range 37 East, to this well.

The No. 4 well was a producing gas well in the Blinebry pool until April 1987. The Blinebry completion was produced on a non-standard 120 acre proration unit under NSP 1460. The remaining 40 acres on Marathon's 160 acre lease was dedicated to the W.S. Marshall B No. 1 as a Blinebry gas well under NSP 1784. At the time the Blinebry completion was abandoned the No. 4 well was making approximately 51 mcf per day of gas and no liquids. Marathon later added two Blinebry oil wells to the W.S. Marshall B lease and 80 acres of the original 120 acre proration unit were subsequently dedicated to these two oil wells. These two wells, the W.S. Marshall B No.s 9 & 10 are still producing from the Blinebry formation. This situation leaves only 40 acres available for dedication to the No. 4 well in the Blinebry pool. Marathon does not anticipate that the well will be capable of making in excess of allowable for the Blinebry even with the restricted acreage, and we are requesting a non-standard proration unit so that the well can be downhole commingled.

Marathon is in the process of trying to permit the No. 4 well for downhole commingling in the Blinebry, Drinkard, and Paddock pools in order to completely produce all recoverable reserves in the three pools in an economic fashion.

Offset operators are being notified of Marathon's application for a non-standard proration unit for the W.S. Marshall B No. 4 Blinebry completion. I have enclosed C-102 plats for the three W.S. Marshall B, active Blinebry wells. These plats are also being sent to the NMOCD in Hobbs to update their records, and a copy will be sent with the downhole commingle application to Mr. Will Jones with an explanation that the filing is contingent upon Marathon's receiving an NSP for the Blinebry. I have also included a map of the W.S. Marshall lease with all three wells active Blinebry wells highlighted on it. I have also included with this application a list of offset operators and their active Blinebry wells, and a copy of the letter sent via certified mail to these offset operators.

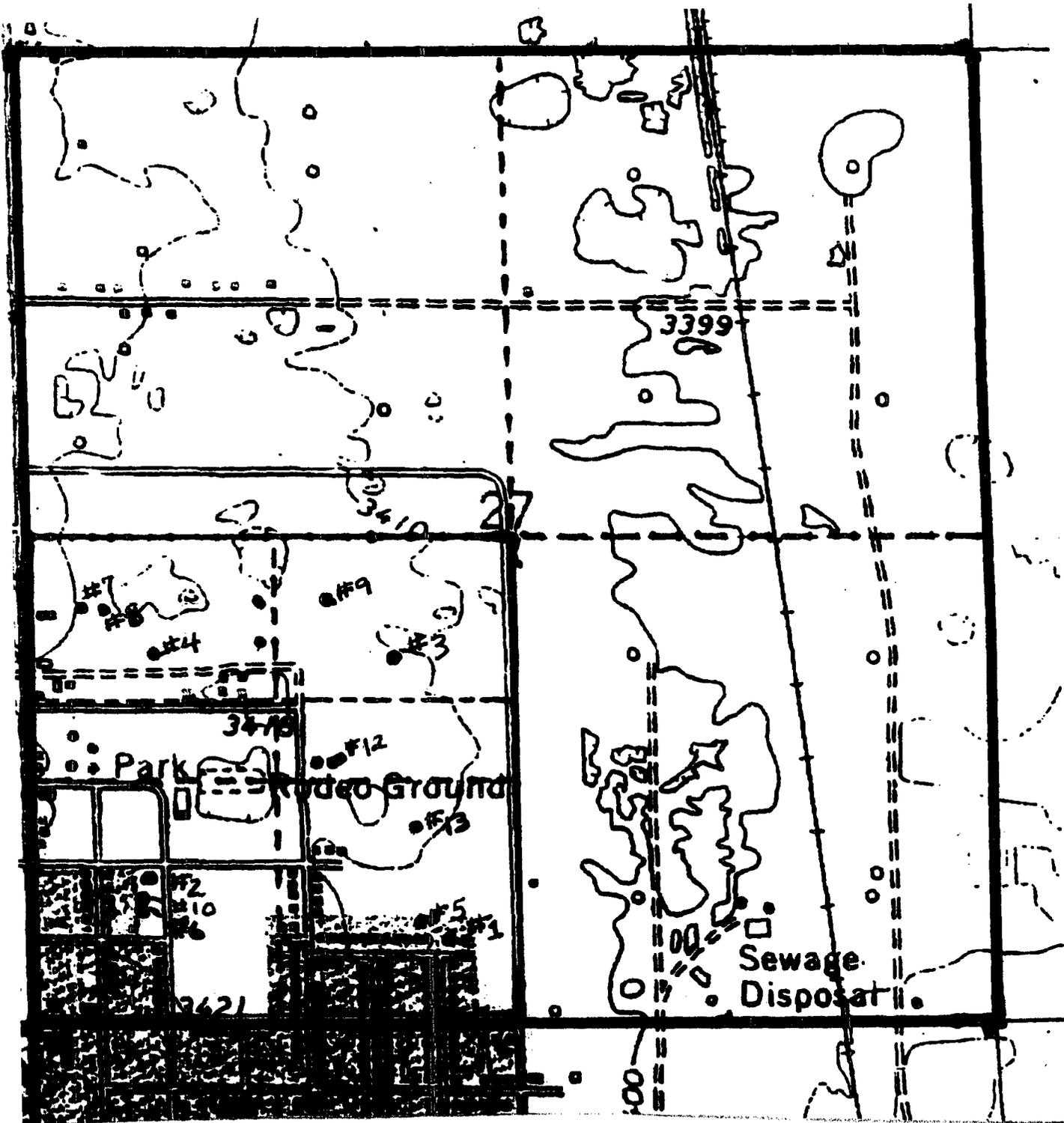
If you need any further information please contact me at 713-296-2096 or through email cekendrix@marathonoil.com.

Sincerely,

Charles E. Kendrick

Charles E. Kendrick
Regulatory Compliance Representative
Marathon Oil Company

*Commingle Blinebry production
as of April 1987
28 285 BD
768 BW
7126051 MCF*



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 30-025-06821		² Pool Code 60240		³ Pool Name Blinebry	
⁴ Property Code 006428		⁵ Property Name W.S. Marshall B			⁶ Well Number 4
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3415'

¹⁰ Surface Location

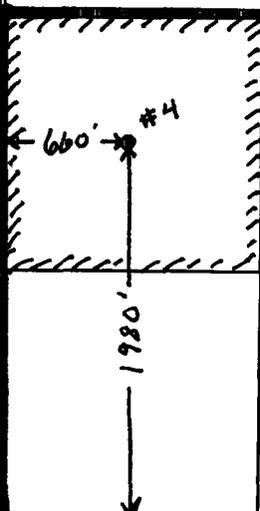
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	27	21-S	37-E		1980	South	660	West	Lea

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 N	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature	
				Charles E. Kendrix Printed Name Regulatory Compliance Rep cekendrix@marathonoil.com Title and E-mail Address 06/13/2006 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	

Standard 640-acre Section

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 30-025-06821		² Pool Code 19190		³ Pool Name Drinkard	
⁴ Property Code 006428		⁵ Property Name W.S. Marshall B			⁶ Well Number 4
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3415'

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
L	27	21-S	37-E		1980	South	660	West	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 N	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Charles E. Kendrix Printed Name Regulatory Compliance Rep cekendrix@marathonoil.com Title and E-mail Address 06/13/2006 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		

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-

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

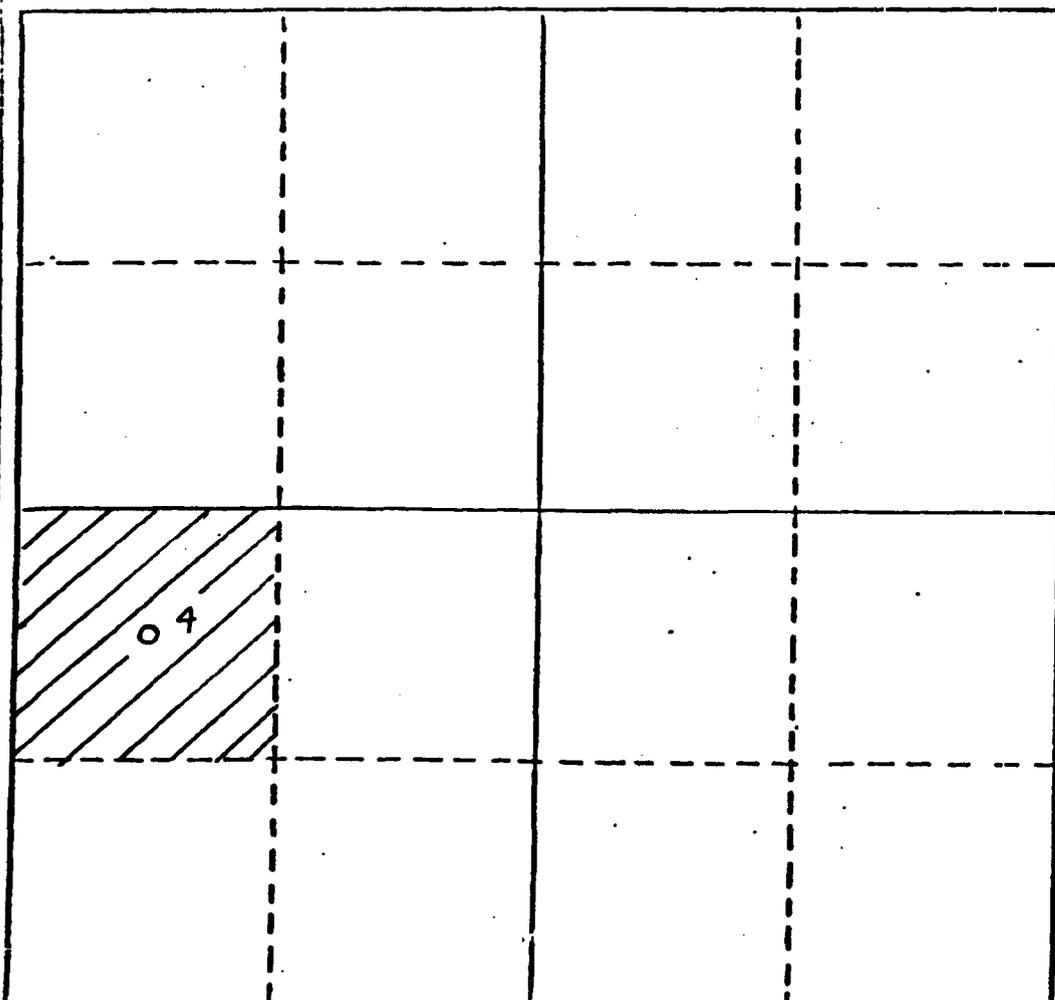
Operator Marathon Oil Company			Lease W. S. Marshall "B"		Well No. 4		
Unit Letter L	Section 27	Township 21-S	Range 37-E	County Lea			
Actual Postage Location of Well:							
1980 feet from the		South	line and	660	feet from the	West	line
Ground Level Elev. 3415'	Producing Formation Paddock		Pool Paddock		Dedicated Acres 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

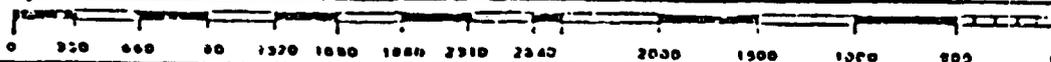
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *E. M. Pingle*
 Position **Engineer**
 Company **Marathon Oil Company**
 Date **April 30, 1987**

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.

Date Surveyed _____
 Registered Professional Engineer
 and/or Land Surveyor

Certificate No. _____



Offset Operator / Offset Well List for W.S. Marshall B Lease

Apache Corporation
2000 Post Oak Blvd Suite 100
Houston, Texas 77056-4400

Well/ Lease Name & No.	API No.	Location
Owen B No. 6	30-025-34321	"K", Sec 34, T-21-S, R-37-E
Owen B No. 10	30-025-35638	"L", Sec 34, T-21-S, R-37-E

Chevron USA Inc
15 Smith Road
Midland, Texas 79705

Well/ Lease Name & No.	API No.	Location
Eunice King No. 10	30-025-06846	"B", Sec 28, T-21-S, R-37-E
Eunice King No. 13	30-025-06849	"A", Sec 28, T-21-S, R-37-E
Eunice King No. 15	30-025-06852	"F", Sec 28, T-21-S, R-37-E
Eunice King No. 25	30-025-06865	"D", Sec 28, T-21-S, R-37-E
J. N. Carson NCT A No. 9	30-025-06850	"K", Sec 28, T-21-S, R-37-E
J. N. Carson NCT A No. 10	30-025-06816	"J", Sec 28, T-21-S, R-37-E
J. N. Carson NCT C No. 9	30-025-06836	"I", Sec 28, T-21-S, R-37-E
Mark Owen No. 4	30-025-07003	"J", Sec 34, T-21-S, R-37-E

ConocoPhillips
4001 Penbrook Street
Odessa, Texas 79762

Well/ Lease Name & No.	API No.	Location
Lockhart A 27 No. 5	30-025-06803	"A", Sec 27, T-21-S, R-37-E
Lockhart A 27 No. 15	30-025-34171	"F", Sec 27, T-21-S, R-37-E
Lockhart A 27 No. 16	30-025-34312	"B", Sec 27, T-21-S, R-37-E
M.E. Wantz No. 1	30-025-06706	"N", Sec 21, T-21-S, R-37-E
M.E. Wantz No. 8	30-025-06697	"O", Sec 21, T-21-S, R-37-E

ExxonMobil Corporation
P.O. Box 4358
Houston, Texas 77210-4358

Well/ Lease Name & No.	API No.	Location
F. F. Hardison B No. 2	30-025-07009	"A", Sec 34, T-21-S, R-37-E
F. F. Hardison B No. 3	30-025-07010	"G", Sec 34, T-21-S, R-37-E
F. F. Hardison B No. 4	30-025-07011	"B", Sec 34, T-21-S, R-37-E
F. F. Hardison B No. 5	30-025-06808	"O", Sec 34, T-21-S, R-37-E
F. F. Hardison B No. 7	30-025-06810	"P", Sec 27, T-21-S, R-37-E
F. F. Hardison B No. 8	30-025-06811	"I", Sec 27, T-21-S, R-37-E

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

Well/ Lease Name & No.	API No.	Location
H. Corrigan No 5	30-025-06992	"J", Sec 33, T-21-S, R-37-E

Stephens & Johnson Operating Company
P.O. Box 2249
Wichita Falls, Texas 76307-2249

Well/ Lease Name & No.	API No.	Location
E.O. Carson No. 5	30-025-06977	"G", Sec 33, T-21-S, R-37-E
E.O. Carson No. 10	30-025-06982	"F", Sec 33, T-21-S, R-37-E
E.O. Carson No. 14	30-025-06985	"C", Sec 33, T-21-S, R-37-E
E.O. Carson No. 17	30-025-06871	"N", Sec 33, T-21-S, R-37-E
E.O. Carson No. 19	30-025-06873	"L", Sec 28, T-21-S, R-37-E
E.O. Carson No. 24	30-025-34353	"M", Sec 28, T-21-S, R-37-E
Carson Watson Com No. 2	30-025-06975	"H", Sec 33, T-21-S, R-37-E
Marshall Com No. 1	30-025-07013	"E", Sec 34, T-21-S, R-37-E
Marshall Com No. 3	30-025-07014	"D", Sec 34, T-21-S, R-37-E
Marshall Com No. 5	30-025-07016	"C", Sec 34, T-21-S, R-37-E



Southern Business Unit

P. O. Box 3487
Houston, TX 77253-3487

5555 San Felipe Road
Houston, TX 77056-2799

Telephone: (713) 296-2096

FAX: (713) 499-6750

June 15, 2006

RE: W.S. Marshall B No. 4 Blinbry Gas Non-Standard Proration Unit

TO: Whom it may concern

Marathon Oil Company is sending this notice to you as a designated operator for wells that offset Marathon's W.S. Marshall B No. 4 well located in Section 27, T21S, R37E. Marathon is proposing to put the No. 4 well back on production with the approval from the NMOCD for a non-standard gas proration unit in the Blinbry gas pool.

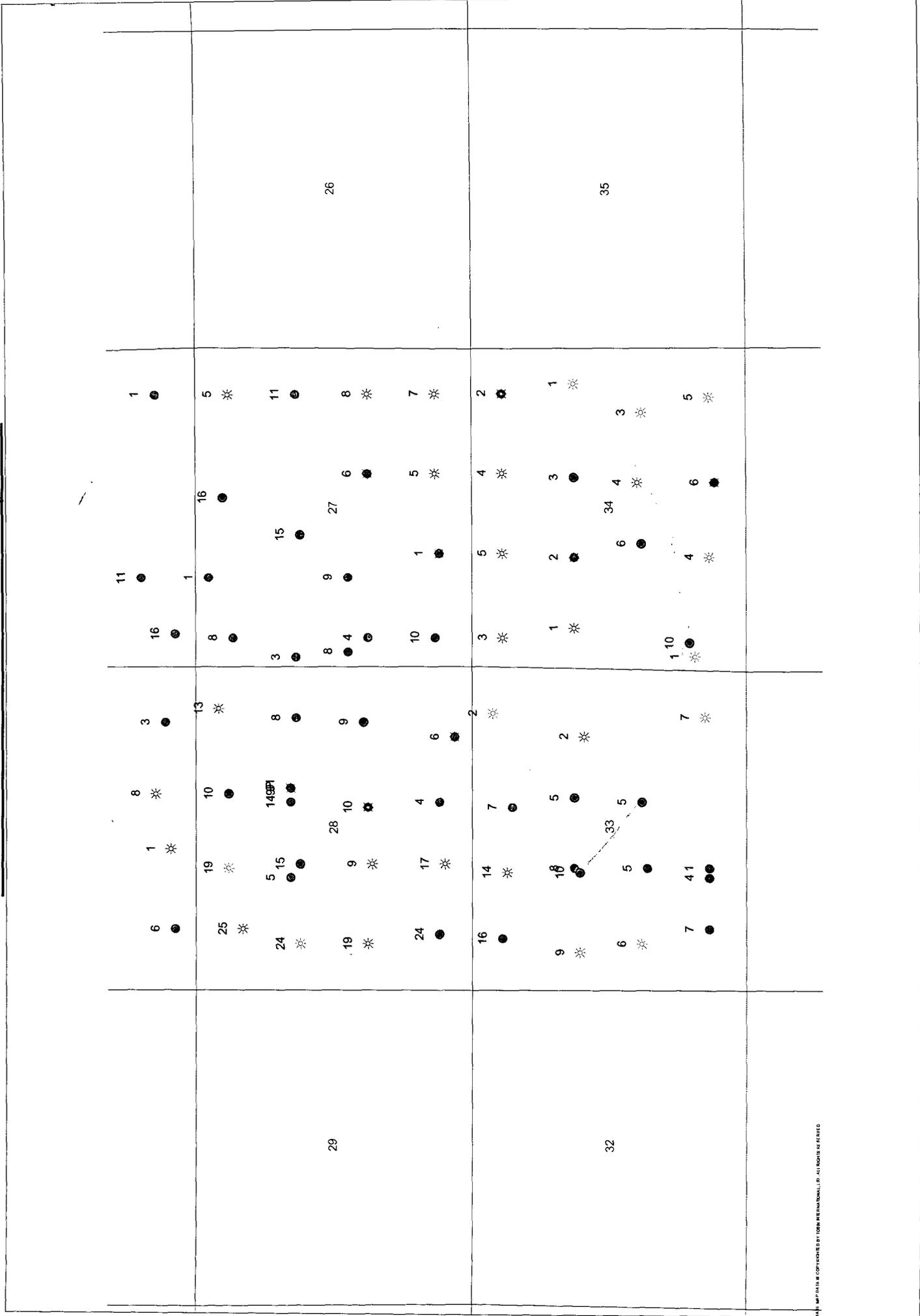
In the event that you should wish to protest this application you must contact the NMOCD in writing at 1220 South St. Francis Drive in Santa Fe, New Mexico within 21 days of this mailing. If you have any concerns or questions regarding this filing please feel free to contact me at phone number 713-296-2096 or through email at cekendrix@marathonoil.com.

Thank You,

Charles E. Kendrix

Charles E. Kendrix
Regulatory Compliance Representative
Marathon Oil Company

W.S. Marshall B Offset Active Blinebry Wells



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Apache Corporation
2000 Post Oak Blvd. Suite 100
Houston, Texas 77056-4400

2
 91 7108 2133 3931 5873 6888

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (*Please Print Clearly*) B. Date of Delivery

C. Signature
 X Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (*Extra Fee*) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Inc
15 Smith Road
Midland, Texas 79705

2
 91 7108 2133 3931 5873 6871

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (*Please Print Clearly*) B. Date of Delivery

C. Signature
 X Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (*Extra Fee*) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Stephens & Johnson Op Co
P.O. Box 2249
Wichita Falls, Texas 76307-2249

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from sorting label)

91 7108 2133 3931 5873 6727

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips Company
4001 Penbrook Street
Odessa, Texas 79762

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

91 7108 2133 3931 5873 6864

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ExxonMobil Corporation
P.O. Box 4358
Houston, Texas 77210-4358

COMPLETE THIS SECTION ON DELIVERY

A. Received by (*Please Print Clearly*)

B. Date of Delivery

C. Signature

X

Agent

Addressee

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (*Extra Fee*)

Yes

91 7108 2133 3931 5873 6857

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Received by (*Please Print Clearly*)

B. Date of Delivery

C. Signature

X

Agent

Addressee

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (*Extra Fee*)

Yes

2. Tracking Number (*Copy from service label*)

91 7108 2133 3931 5873 6840

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952