

p NRM 0400857570

C-103 Received 1-5-2004  
DHC Assigned 1-8-2004

<b>Order Number</b> HOB-0069		<b>API Number</b> 30-025-25644		<b>Operator</b> Marathon Oil Company		<b>County</b> Lea	
<b>Order Date</b> 		<b>Well Name</b> Walter Lynch		<b>Number</b> 008		<b>Location</b>	
						<b>E</b> UL	<b>1</b> Sec
						<b>22S</b> T (+Dir)	<b>37E</b> R (+Dir)
<b>Pool 1</b>	72480	Blinebry Oil & Gas (Pro Gas)		<b>Oil %</b> 20%	<b>Gas %</b> 65%		
<b>Pool 2</b>	07900	Brunson Drinkard Abo, South		<b>Oil %</b> 50%	<b>Gas %</b> 25%		
<b>Pool 3</b>	62730	Wantz Granite Wash		<b>Oil %</b> 30%	<b>Gas %</b> 10%		
<b>Pool 4</b>							
<b>Comments:</b> Work completed effective _____ Work cancelled effective _____ Supplement _____							

1-8-2004

Posted  
R B DYM &

Previous DHC-2587

DOWNHOLE COMMINGLE CALCULATIONS: 30-025-25644

OPERATOR: Marathon Oil Company HOB-0069

PROPERTY NAME: Walter Lynch

WNULSTR: 8-E, 1-22-37

	SECTION I:	ALLOWABLE AMOUNT	
72480	POOL NO. 1 <u>Blinebry Oil &amp; Gas (Pro Gas)</u>	<u>999</u>	<u>9999</u> MCF 99999
07900	POOL NO. 2 <u>Brunson Drinkard Abo, South</u>	<u>142</u>	<u>852</u> MCF 6000
62730	POOL NO. 3 <u>Wantz Granite Wash</u>	<u>187</u>	<u>374</u> MCF 2000
	POOL NO. 4 _____		MCF
		POOL TOTALS <u>329</u>	<u>1226</u> MCF

	SECTION II:	Oil	Gas
GBLI40000	POOL NO. 1 <u>Blinebry Oil &amp; Gas (Pro Gas)</u>	20%	65%
ABRU30000	POOL NO. 2 <u>Brunson Drinkard Abo, South</u>	50% X 329 = 164.50	25%
AWAN60000	POOL NO. 3 <u>Wantz Granite Wash</u>	30%	10%
	POOL NO. 4 _____		

OIL	GAS
SECTION III: <u>142 ÷ 50% = 284.00</u>	_____

SECTION IV: <u>284 X 20% = 56.80 (57)</u>	_____
<u>384 X 50% = 142.00 (142)</u>	_____
<u>284 X 30% = 85.20 (85)</u>	_____

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., 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 and Natural Resources

Form C-103  
 Revised June 10, 2003

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

WELL API NO. 30-025-25644
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Walter Lynch
8. Well Number #8
9. OGRID Number
10. Pool name or Wildcat Blinebry, Brunson South & Wantz

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Marathon Oil Company

3. Address of Operator  
 P.O. Box 552 Midland, TX 79702

4. Well Location  
 Unit Letter E : 1,980' feet from the North line and 760' feet from the West line  
 Section 1 Township 22s Range 37E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3,368' - KB

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPLETION

SUBSEQUENT REPORT OF:

REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  PLUG AND ABANDONMENT   
 CASING TEST AND CEMENT JOB

OTHER: Downhole Commingle

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marathon Oil Company requests authorization to downhole commingle the Blinebry, Brunson, South (Drinkard-Abo) & Wantz (Granite Wash) pools in the Walter Lynch Well No. 8

The scope of the proposed workover is to drill out a bridge plug to reactivate the temporarily abandoned Wantz (Granite Wash) zone and reperforate Brunson, South (Drinkard-Abo) zones that were abandoned by cement squeeze. Also additional Blinebry perforations will be added.

Please find attached a wellbore diagram and production plots for all zones.

A downhole commingling permit (DHC-2587) was issued for this well in 2000 for the Blinebry and Wantz pools in this well. The zones were never commingled. This request simply adds the Brunson, South (Drinkard-Abo) pool to the commingling permit.

**DHC Order No. HOB-0069**

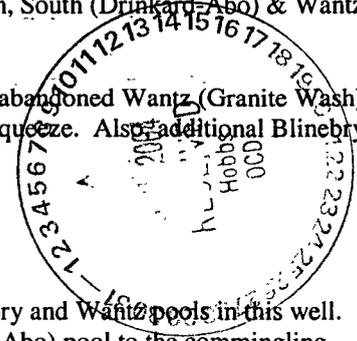
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE BDE TITLE Engineer DATE 12/30/03

Type or print name Brent Lockhart E-mail address: BDLockhart@MarathonOil.com Telephone No. 713 296 2224

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE 1-13-2004  
 Conditions of approval, if any:



**Walter Lynch Well No. 8  
DHC Attachment**

- i) Pre-approved pool status was established by Division Order R-11363
- ii) Blinebry Oil & Gas (72480), Brunson, South (Drinkard- Abo) (7900) & Wantz (Granite Wash) (62730)
- iii) Blinebry Oil & Gas (5,455' – 5,940'), Brunson, South (Drinkard- Abo) (6,307' – 6,664') & Wantz (Granite Wash) (7,175' – 7,518')
- iv) Blinebry Oil & Gas (65% gas & 20% oil), Brunson, South (Drinkard- Abo) (25% gas & 50% oil) & Wantz (Granite Wash) (10% gas & 30% oil). Supported from tests prior to temporary abandonment.
- v) The proposed commingling will not reduce the value of the total remaining production
- vi) The ownership and percentages are identical for the zones.



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

**FOR RECORD ONLY**  
OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

**ADMINISTRATIVE ORDER DHC-2587**

Marthon Oil Company  
P.O. Box 552  
Midland, Texas 79702-0552

Attention: Mr. Tim L. Chase

*Walter Lynch No. 8  
API No. 30-025-25644  
Unit E, Section 1, Township 22 South, Range 37 East, NMPM,  
Lea County, New Mexico.  
Blinebry Oil & Gas (Prorated Gas - 72480) and  
Wantz-Granite Wash (Oil -62730) Pools*

Dear Mr. Chase:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Division's Southeast Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Oil & Gas Pool	Oil-60%	Gas-89%
Wantz-Granite Wash Pool	Oil-40%	Gas-11%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 18th day of January, 2000.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs ✓