

PNRM0429251402

C-103 Received 10-12-2004
DHC No. Assigned 10-18-2004

Order Number HOB-0098		API Number 30- 025-06688		Operator Marathon Oil Company		County Lea			
Order Date 		Well Name Dayton Hardy		Number 002		Location			
						I UL	20 Sec	21S T (+Dir)	37E R (+Dir)
Pool 1	06660	Blinebry Oil & Gas (Oil)		56%	Gas %		25%		
Pool 2	60240	Tubb Oil & Gas (Oil)		15%			6%		
Pool 3	19190	Drinkard Oil & Gas (Oil)		29%			69%		
Pool 4									
Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____									

10-18-2004
Posted to
RBBMA (B)

Previously DHC-1096 (Bl+T.)

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-06688
HOB-0098

OPERATOR: Marathon Oil Company

PROPERTY NAME: Dayton Hardy

WNULSTR: 2-I, 20-21-37

	SECTION I:	ALLOWABLE AMOUNT	
06660	POOL NO. 1 <u>Blinebry Oil+Gas (Oil)</u>	<u>107</u>	<u>428</u> MCF 4000
60240	POOL NO. 2 <u>Tubb Oil+Gas (Oil)</u>	<u>142</u>	<u>284</u> MCF 2000
19190	POOL NO. 3 <u>Drinkard</u>	<u>142</u>	<u>852</u> MCF 6000
	POOL NO. 4 _____		MCF
		POOL TOTALS <u>391</u>	<u>1564</u> MCF

SECTION II:	Oil	Gas
POOL NO. 1 <u>Blinebry Oil+Gas (Oil)</u>	56% X 391 = 218.96	25%
POOL NO. 2 <u>Tubb Oil+Gas (Oil)</u>	15%	6%
POOL NO. 3 <u>Drinkard</u>	29%	69%
POOL NO. 4 _____		

<u>OIL</u>	<u>GAS</u>
SECTION III: <u>107 ÷ 56% = 191.08 (192)</u>	_____

SECTION IV: <u>192 X 56% = 107.52 (107)</u>	_____
<u>192 X 15% = 28.80 (29)</u>	_____
<u>192 X 29% = 55.68 (56)</u>	_____

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 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
 May 27, 2004

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

WELL API NO. 30-025-06688
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: Dayton Hardy
8. Well Number 2
9. OGRID Number 14021
10. Pool name or Wildcat Drinkard/Tubb O&G/ Blinebry O&G

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 3487 Houston, TX 77253-3487

4. Well Location
 Unit Letter I : 1980' feet from the South line and 660' feet from the East line
 Section 20 Township 21-S Range 37-E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 GL 3448' KB 3497'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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
- OTHER: Downhole Commingle

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
- COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
- CASING TEST AND CEMENT JOB
- 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 permission to downhole commingle the Dayton Hardy No. 2 in the Drinkard (19190), the Tubb Oil & Gas (60240), and the Blinebry Oil & Gas (06660). The well is currently downhole commingled in the Tubb and Blinebry zones under order DEC 1096. We are seeking to add the Drinkard reservoir which was last produced in 1979.

DHC Order No. HOB-0098

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCDC guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE Charles E. Kendrick TITLE Engineering Technician DATE 10/04/2004

or print name Charles E. Kendrick

E-mail address: cekendrix@MarathonOil.com Telephone No. 713-296-2096

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE OCT 18 2004

Conditions of Approval, if any:

Dayton Hardy No. 2 Downhole Commingle Attachment

- (i) Pre-approved status for downhole commingling of the Drinkard, Blinebry, and Tubb pools was established under Division Order No. R-11363.
- (ii) Drinkard (19190), Tubb Oil & Gas (60240), Blinebry Oil & Gas (06660).
- (iii) Drinkard (6,468'-6,576' & 6,605'-6,672'), Tubb Oil & Gas (6,030'-6,282'), Blinebry Oil & Gas (5,556'-5,830)
- (iv) Drinkard (29% Oil, 69% Gas, 36% Water), Tubb Oil & Gas (15% Oil, 6% Gas, 14% Water), Blinebry Oil & Gas (56% Oil, 25% Gas, 50% Water). The production ratio's were determined using the past history of production rates for the three reservoirs. Please see attachment for details.
- (v) The downhole commingling of these reservoirs will not change the value of the total remaining production in the three zones.
- (vi) Ownership and ownership interest is identical for the three reservoirs.

Dayton Hardy Well No. 2 Drinkard (19190)

Production volumes for last full year produced. (1979)

Oil %	Gas %	Water %
29%	69%	36%

Month	Oil	Gas	Water	Days Produced
Jan-79	59	2808	27	31
Feb-79	45	2004	20	28
Mar-79	48	2541	27	31
Apr-79	67	3178	38	30
May-79	26	4087	4	31
Jun-79	29	3809	4	30
Jul-79	39	3560	6	30
Aug-79	23	3344	5	31
Sep-79	31	2101	17	26
Oct-79	30	2595	21	25
Nov-79	78	2505	56	30
Dec-79	18	1858	18	31
Total prod.	493	34390	243	354
Agv. Production per day	1.4	97.1	0.7	

Dayton Hardy Well No. 2 Tubb Oil & Gas (60240)

Production volumes for full year produced (April 2003 - March 2004)

Oil %	Gas %	Water %
15%	6%	14%

Month	Oil	Gas	Water	Days Produced
Apr-03	14	281	9	30
May-03	19	294	11	31
Jun-03	22	284	10	30
Jul-03	22	270	6	31
Aug-03	20	260	11	31
Sep-03	18	241	10	30
Oct-03	23	262	6	31
Nov-03	25	259	9	30
Dec-03	22	291	6	31
Jan-04	25	293	6	31
Feb-04	22	267	5	29
Mar-04	23	273	6	31
Total prod.	256	3275	96	366
Agv. Production per day	0.7	8.9	0.3	

Dayton Hardy Well No. 2 Blinebry O & G (06660)

Production volumes for full year produced (April 2003 - March 2004)

Oil %	Gas %	Water %
56%	25%	50%

Month	Oil	Gas	Water	Days Produced
Apr-03	55	1124	36	30
May-03	74	1176	41	31
Jun-03	84	1135	37	30
Jul-03	83	1081	21	31
Aug-03	76	1041	40	31
Sep-03	69	964	39	30
Oct-03	87	1049	23	31
Nov-03	94	1036	33	30
Dec-03	85	1163	24	31
Jan-04	93	1170	24	31
Feb-04	81	1069	20	29
Mar-04	86	1093	22	31
Total prod.	966	13101	359	366
Agv. Production per day	2.6	35.8	1.0	

OIL CONSERVATION DIVISION

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

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

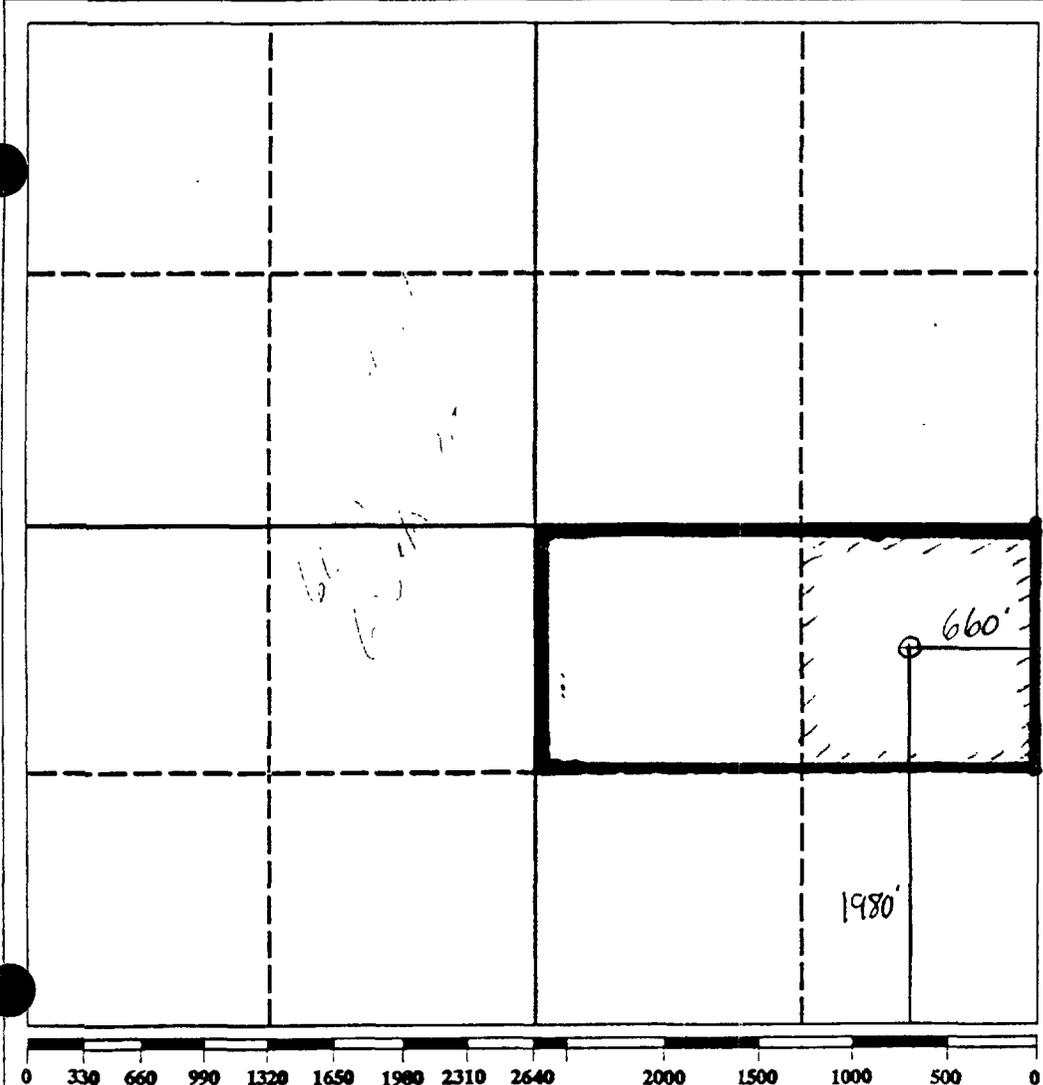
Operator Marathon Oil Company			Lease Dayton Hardy		Well No. 2
Unit Letter I	Section 20	Township 21-S	Range 37E	County NMPM Lea	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground level Elev. 3488'	Producing Formation Tubb/Blinebry		Pool Tubb & Blinebry oil & gas pools		Dedicated Acreage: 80 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Thomas M. Price

Printed Name
Thomas M. Price

Position
Advanced Engineering Tech. Company

Marathon Oil Company

Date
5/15/92

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 knowledge and belief.

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.

NOTICE OF INTENTION TO DRILL

NOV 26 1947
HOBBS, N.M.

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes must be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Hobbs, New Mexico.

November 20, 1947.

Place

Date

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico,

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as.....

The Ohio Oil Company

Dayton Hardy

Well No. 2

in NE/4, SW/4.

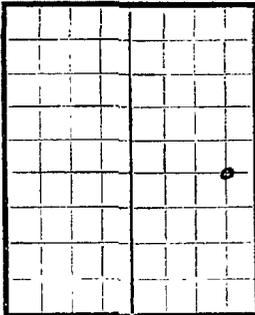
Company or Operator

Lease

of Sec. 20, T. 21S, R. 37E, N. M., P. M., Drinkard Field, Lea County.

N

The well is 1980 feet (N.) (E) of the South line and 660 feet (E) (W.) of the East line of Section 20, T21S, R37E.



AREA 640 ACRES

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. 361 Assignment No.

If patented land the owner is D. C. Hardy

Address Eunice, New Mexico

If government land the permittee is.....

Address

The lessee is The Ohio Oil Company

Address Box 1607, Hobbs, New Mexico

LOCATE WELL CORRECTLY

We propose to drill well with drilling equipment as follows:.....

Rotary tools, Eastland Oil Company, Fort Worth, Texas

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows:.....

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Sacks Cement
17"	13-3/8"	48#	New	300'	Cemented	250
11"	8-5/8"	32#	New	2800'	"	2500
8"	5-1/2"	17#	New	6500'	"	500

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 6550 feet.

Additional information:

Approved NOV 26 1947, 1947
except as follows:

Sincerely yours,

The Ohio Oil Company

Company or Operator

By P. B. Council

Position Superintendent

Send communications regarding well to

Name The Ohio Oil Company

Address Box 1607, Hobbs, New Mexico

OIL CONSERVATION COMMISSION,
By [Signature] & GAS INSPECTOR
Title