

PNRM05/6730/03

C-103 Received 5-12-2005

DHC No. Assigned 6-15-2005

Order Number	API Number	Operator		County			
H0B-0119	30-025-29219	Marathon Oil Company		nea			
Order Date	Well Name		Number	Location			
	J. L. Muncy		007	G	24	22S	37E
				UL	Sec	T (+Dir)	R (+Dir)
			Oil %	Gas %			
Pool 1	86440	Tubb Oil & Gas (Pro Gas)	0%	60%			
Pool 2	62730	Wantz Granite Wash	100%	40%			
Pool 3							
Pool 4							
Comments: Work completed effective Work cancelled effective Supplement							

Posted to
RTBDM &
6-16-2005



6-22-2005
Cancelled.

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-29219

OPERATOR: Marathon Oil Company

HOB-0119

PROPERTY NAME: J. L. Muncy

WNULSTR: 7-G, 24-22-37

SECTION I:		ALLOWABLE AMOUNT	
86440	POOL NO. 1 <u>Tubb Oil & Gas (Pro Gas)</u>	<u>999</u>	<u>9999</u> MCF <u>99999</u>
62730	POOL NO. 2 <u>Wantz Granite Wash</u>	<u>187</u>	<u>374</u> MCF <u>2000</u>
	POOL NO. 3 _____	_____	_____ MCF
	POOL NO. 4 _____	_____	_____ MCF
		POOL TOTALS <u>187</u>	<u>374</u>

SECTION II:		Oil	Gas
POOL NO. 1	<u>Tubb Oil & Gas (Pro Gas)</u>	0%	60%
POOL NO. 2	<u>Wantz Granite Wash</u>	100% X 187 = 187	40%
POOL NO. 3	_____		
POOL NO. 4	_____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>187 ÷ 100% = 187</u>	_____
SECTION IV:	<u>187 X 0% = 0</u>	_____
	<u>187 X 100% = 187</u>	_____
	_____	_____
	_____	_____

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1000 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. 30-025-29219
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: J.L. Muncy
8. Well Number 7
9. OGRID Number 014021
10. Pool name or Wildcat Wantz Granite Wash/ Tubb Oil & Gas

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 **DHC**

2. Name of Operator
Marathon Oil Company

3. Address of Operator
P.O. Box 3487 Houston, TX 77253-3487

4. Well Location
 Unit Letter **G**; **2086** feet from the **North** line and **1874** feet from the **East** line
 Section **24** Township **22-S** Range **37-E** NMPM County **Lea**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3318' GL

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 Oils Company is requesting authorization to downhole commingle the J.L. Muncy No. 7 in the Wantz Granite Wash (62730) & the Tubb Oil & Gas (86440). Marathon plans to combine the pools by removing a retrievable bridge plug that currently isolates the Granite Wash formation from the active Tubb wellbore. Please attached details of downhole commingle request.

DHC Order No. HOB-0119

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 NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE Charles E. Kendrix TITLE Engineering Technician DATE 05/05/2005

Type or print name Charles E. Kendrix E-mail address: cekendrix@marathonoil.com Telephone No. 713-296-2096

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE JUN 15 2005
 Conditions of Approval, if any:

J.L. Muncy No. 7
Downhole Commingle Attachment
Tubb 86440 / Wantz Granite Wash 62730

- (i) **Number of Division Order that establish pre-approved pool status**
Pre-approved pool status was established for the Wantz Granite Wash and Tubb combination by Division Order R-11363
- (ii) **Names of pools to be commingled**
Wantz Granite Wash (62730), Tubb Oil & Gas (86440)
- (iii) **Perforated Intervals**
Tubb Oil & Gas (5814'-6142'), Wantz Granite Wash (7403' - 7559')
- (iv) **Allocation Method and Supporting Data**
The allocation of oil, gas, and water will be based on the following percentages. These percentages were derived by using production rates for each pool for the last four complete months of production for each pool. Please see the attached spreadsheet for production volume details.
- Tubb Oil & Gas (0 % Oil, 60 % Gas, 31 % Water)
Wantz Granite Wash (100% Oil, 40 % Gas, 69% Water)
- (v) **Statement that the commingling of the pools will not reduced value of production**
The proposed commingling of these two zones will not reduce the value of the remaining production in the J.L. Muncy No 7. It will make it more economically feasible to produce the well longer with the commingled production volume.
- (vi) **Statement of Ownership**
The ownership and ownership percentages are identical for these two zones.
- (vii) **Statement of Notification of Other Government Entities**
The J.L. Muncy is a fee lease, therefore no notice to the BLM or New Mexico State Lands Office was required.

J. L. Muncy No. 7

		4/30/2004	5/31/2004	6/30/2004	7/31/2004	8/31/2004	9/30/2004
21746 1 Wantz Granite Wash	Oil	513.26	476.28	448.58	431.10	0 00	0.00
	Gas	1605	1289	1140	1324	0	0
	Water	30.19	30.19	30.19	30.19	0.00	0.00
		10/31/2004	11/30/2004	12/31/2004	1/31/2005	2/28/2005	3/31/2005
	Oil	0 00	0 00	0 00	0.00	0 00	0 00
	Gas	0	0	0	0	0	0
	Water	0.00	0.00	0.00	0.00	0 00	0 00

		4/30/2004	5/31/2004	6/30/2004	7/31/2004	8/31/2004	9/30/2004
21746 2 Tubb Oil & Gas (Gas)	Oil	*****	*****	*****	*****	73 08	31.93
	Gas	*****	*****	*****	*****	2225	2704
	Water	*****	*****	*****	*****	881	347.00
		10/31/2004	11/30/2004	12/31/2004	1/31/2005	2/28/2005	3/31/2005
	Oil	12 29	17 08	5.92	0.00	0.56	2.17
	Gas	2318	2153	2004	1929	1015	3031
	Water	201 00	171 00	232.00	0.00	1.00	30.38

Average Daily Production for last four producing Months	Wantz Granite Wash		Tubb	Total Avg. Daily Production
	Oil	15.32	0 07	15 39
Gas	44	65 94	109.86	
Water	1	2 18	3.17	

DHC Percentages	Wantz Granite Wash		Tubb
	Oil	100%	0%
Gas	40%	60%	
Water	31%	69%	

Need Gas Plat

District I
625 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 30-025-29219		² Pool Code 60240		³ Pool Name Tubb Oil & Gas (011)	
⁴ Property Code 006442		⁵ Property Name J.L. Muncy			⁶ Well Number 7
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3318'

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
G	24	22-S	37-E		2086'	North	1874'	East	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

<p>¹⁶</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>Charles E. Kendrick</i> Signature</p> <p>Charles E. Kendrick Printed Name</p> <p>Engineering Technician cekendrix@MarathonOil.com Title and E-mail Address</p> <p>07/21/2004 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>Date of Survey Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-023-29219		² Pool Code 86400		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 006442		⁵ Property Name J.L. Mazy			⁶ Well Number 7
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3318'

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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 80	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No. NSP-1474-A
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	<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>Date of Survey Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10440		² Pool Code 62730		³ Pool Name Wantz Granite Wash	
⁴ Property Code 006442		⁵ Property Name J.L. Muncy			⁶ Well Number 7
⁷ OGRID No 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3318'

¹⁰ Surface Location

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