

PNRM 0426727574

C-103 Received 7-13-2004
DHC No. Assigned 9-22-2004

Order Number HOB-0064A	API Number 30-025-09950	Operator Marathon Oil Company	County Lea			
Order Date 	Well Name Walter Lynch	Number 005	C UL	I Sec	225 T (+Dir)	37E R (+Dir)
Pool 1	06660	Blinebry Oil & Gas (Oil)	50%	Oil %	33%	Gas %
Pool 2	07900	Branson Drinkard Abo, South	50%		67%	
Pool 3						
Pool 4						
Comments: Work completed effective Work cancelled effective Supplement						

9-23-2004
Postal
R B M L 

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-09950

OPERATOR: Marathon Oil Company

HOB-0064A

PROPERTY NAME: Walter Lynch

WNULSTR: 5-C, 1-22-37

SECTION I:

06660

POOL NO. 1 Blinebry Oil & Gas (Oil) ALLOWABLE AMOUNT 107 428 MCF 4000

07900

POOL NO. 2 Brunson Drinkard Abo, South 142 852 MCF 6000

POOL NO. 3 _____ MCF

POOL NO. 4 _____ MCF

POOL TOTALS 249 1280

SECTION II:

POOL NO. 1 Blinebry Oil & Gas (Oil) Oil 50% X 249 = 124.50 Gas 33%

POOL NO. 2 Brunson Drinkard Abo, South 50% 67%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

107 ÷ 50% = 214

SECTION IV:

214 X 50% = 107

214 X 50% = 107

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
 100 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
 March 4, 2004

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

WELL API NO. 30-025-09950
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 5
9. OGRID Number 14021
10. Pool name or Wildcat Blinebry / Brunson Drinkard Abo, S.

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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Downhole Commingle
2. Name of Operator Marathon Oil Company
3. Address of Operator P.O. Box 3487, Houston Texas 77253-3487
4. Well Location Unit Letter C : 660 feet from the North line and 1980 feet from the West line Section 1 Township 22-S Range 37-E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 3350'

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit location: UL _____ Sect _____ Twp _____ Rng _____ Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____
 Distance from nearest surface water _____ Below-grade Tank Location UL _____ Sect _____ Twp _____ Rng _____ ;
 _____ feet from the _____ line and _____ feet from the _____ line

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
 NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Downhole Commingle <input checked="" type="checkbox"/>	

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 is requesting that DHC Order No. 0064 for the Walter Lynch No. 5 be amended to include only the Blinebry Oil & Gas (06660) and Brunson Drinkard Abo, South (07900). Marathon was unable to add the Granite Wash reservoir as detailed in our initial filing for this DHC permit. Please find attached a revised wellbore diagram and production plots for the two reservoirs, which were commingled.

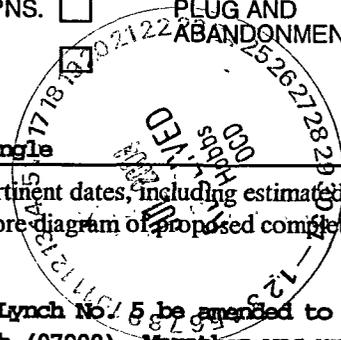
DHC Order No. HOB-0064A

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. Kendrick TITLE Engineering Technician DATE 07/07/2004
 E-mail address: cekendrix@MarathonOil.com Telephone No. 713-296-2096
 Name or print name Charles E. Kendrick

(This space for State use)

APPROVED BY _____ TITLE PAUL F. KAUTZ DATE SEP 22 2004
 Conditions of approval, if any: PETROLEUM ENGINEER

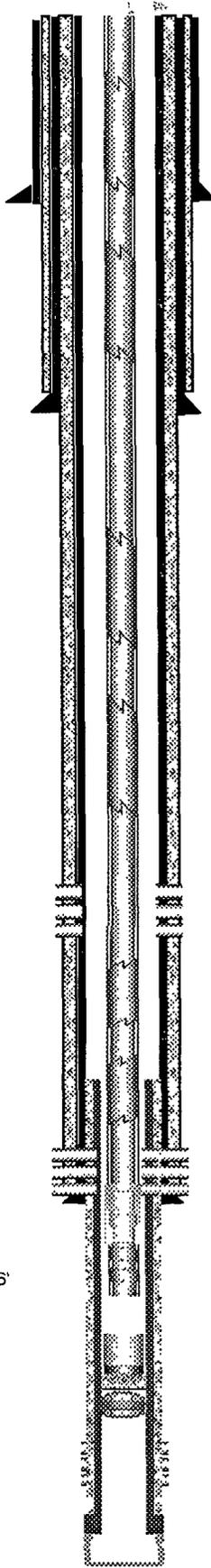


**Walter Lynch Well No. 5
DHC Attachment**

- i) Pre-approved pool status was established by Division Order R-11363
- ii) Blinebry Oil & Gas (06660), Brunson Drinkard Abo, South (07900)
- iii) Blinebry Oil & Gas (5,434' -5850') & Brunson Drinkard Abo, South (6348' - 6440')
- iv) Blinebry Oil & Gas (33% Gas, 50% Oil, 50% Water)
Brunson Drinkard Abo, South (67% Gas, 50% Oil, 50% Water)
- v) The proposed commingling will not reduce the value of the total remaining production.
- vi) The ownership and percentages are identical for the zones.



Marathon Oil Company
 Walter Lynch No 5 DHC
 1-Mar-04



Surface Casing
 13 3/8" 48# set @ 300' Cmt'd w/ 250 sks

Intermediate Casing
 8 5/8" 32# H-40 set @ 2800' Cmt'd w/ 1500 sks

Blinebry Perfs @ 5434' - 5850'

4" Liner Cmt'd w/ 80 sks @ 6350

Upper Drinkard Perfs 6348' - 6440'
 5 1/2" 17# production casing @ 6440'

Seating Nipple @ 6506'

End of Mud anchor @ 6476'

3 1/8" Mill @ 7299'
 CIBP @ 7300'

Granite Wash perfs 74004' - 7502'

Bottom of 4" liner @ 7571'
 TD @ 7574'

Well Name & Number:	Walter Lynch No. 5 DHC		Lease	Walter Lynch	
County or Parish:	Lea	State/Prov.	New Mexico	Country:	USA
Perforations: (MD)	5434'-5850' / 6348'-6440'		(TVD)	7574'	
Date Completed:	03/18/04			RKB:	
Prepared By:	Charles Kendrix		Last Revision Date:	06/18/04	

Walter Lynd
30-025-25131 6-F, 1-22-37
F 30-025 09946 Pre Dingard

D 30-025-09948 Pre Dingard
DHC1021 4-D 09949 Marathas Subb(Ad)
Walter Lynd
25486
7- Br. Dir. Mo, L. & W. L. W.

C 30-025-09950 Marathas
Walter Lynd 5-C 1-22-37

E 30-025-09947 (21-E) Pre Dingard
- 25644 Bl. (Ad)
Marathas
Walter Lynd
8-E, 1-22-37

6-F Subb (160)
Has file
1-23-09
1-26-04
Called Brent on 1-26-04
6F + 8-E OK
4-D (Ad)
Call Brent on 1-26-04
on 6F and 8-E
OK. 4-D with the status
also. ③