

CTB 3/30/98

Mid-Continent Region
Production United States

P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

467
4-7-98
31



March 6, 1998

Ms. Lori Wrotenbery, Director
State of New Mexico
Oil Conservation Division
PO Box 2088
Santa Fe NM 87504-2088

MAR 9 1998
OIL CONSERVATION

Case 12068

Re: Request for Exemption to Rule 309-A
Surface Lease Commingling

David Crockett '27' State Lease
Sec. 27, T-18-S, R-28-E
Eddy County
Travis - Upper Penn

James Buchanan '33' State Lease
Sec. 33, T-18-S, R-28-E
Eddy County
Travis - Upper Penn

59860

Ms. Lori Wrotenbery:

Marathon Oil Company respectfully requests the State of New Mexico Oil Conservation Division to grant administrative approval for exemption to Rule 309-A for the above mentioned leases.

Marathon Oil Company proposes to produce the two leases to a common stock tank battery with separate metering facilities prior to commingling. The common battery will be at the James Buchanan '33' St. No. 1 location. It should be noted that there is a diversity of ownership between the leases. However, the proposed production operation is in accordance with the applicable provisions and all necessary parties have been notified by certified mail.

Please find attached a lease commingling plat and a production facility schematic. Please note that the value of the oil will not be adversely affected.

If you have any questions or comments, please advise.

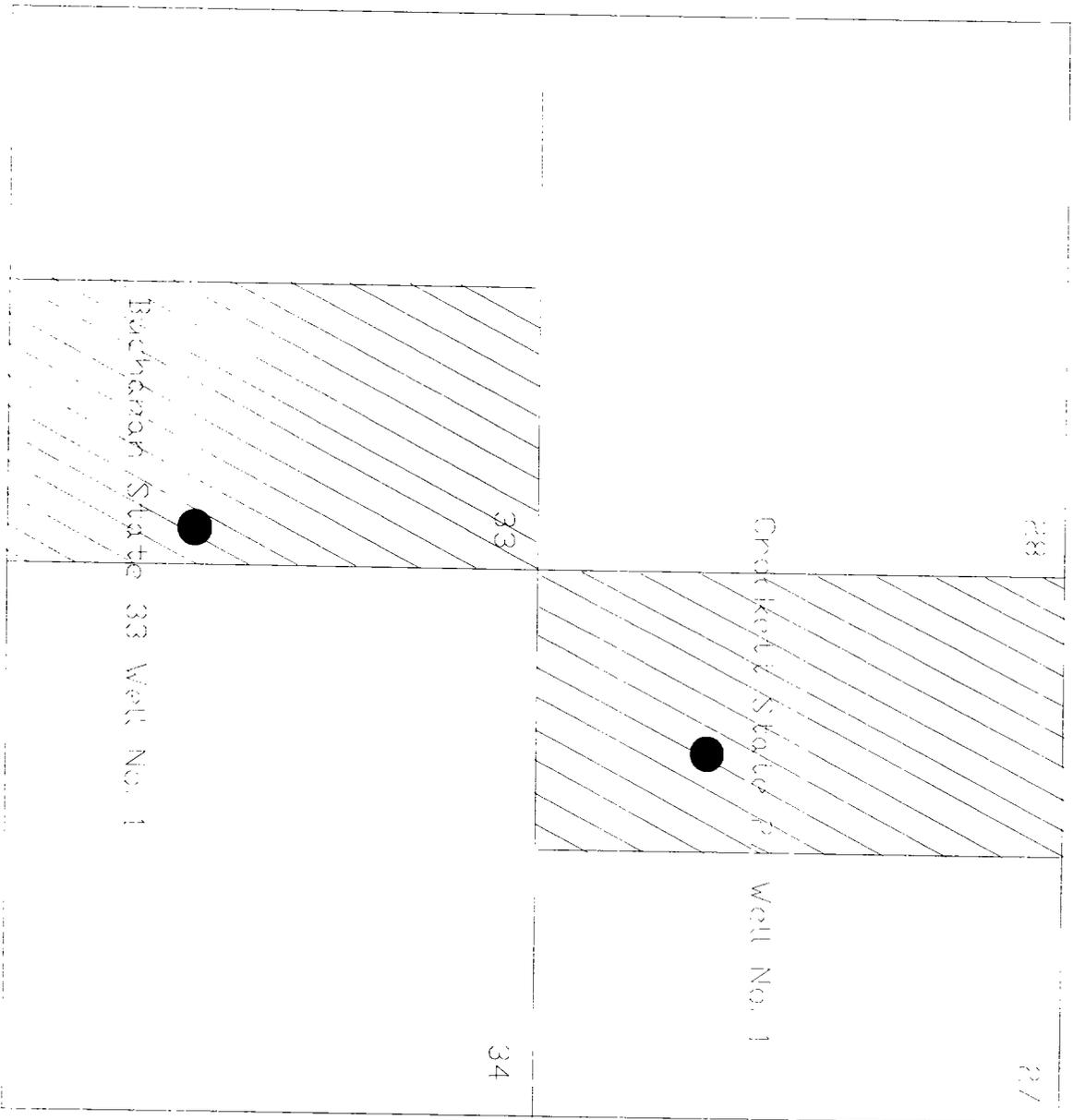
Sincerely,

Bryan L. Williams
Production Engineer
(505) 393-7106 ext. 212

BLW//reglatory/commingling/surface/crok1_a
Attachments

David Crockett L State 27 Lease
Units G,H,I,J,K,L,M&N
W 1/2, Sec. 27, T 18S, R-28E

James Buchanan State 33 Lease
Unit A,B,G,H,I,J,O&P
E 1/2, Sec. 33, T 18S, R28E



ILLEGIBLE



MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

March 26, 1998

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Request for Exemption to Rule 309-A
Surface Lease Commingling

David Crockett 27 State Lease
Sec. 27, T18S, R28E
Eddy County, New Mexico
Travis - Upper Penn

James Buchanan 33 State Lease
Sec. 33, T18S, R28E
Eddy County, New Mexico
Travis - Upper Penn

Gentlemen:

Please find enclosed a letter agreement to the surface commingling of the captioned leases. The letter has been executed on behalf of Yates Petroleum Corporation.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

cc:
Marathon Oil Company
Attention: Kerry Heerssen, Jr.

Mid-Continent Region
Production United States



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 9, 1998

Yates Petroleum Corporation
105 South Forth Street
Artesia, New Mexico 88210

Re: Request for Exemption to Rule 309-A
Surface Lease Commingling

David Crockett '27' State Lease
Sec. 27, T-18-S, R-28-E
Eddy County
Travis - Upper Penn

James Buchanan '33' State Lease
Sec. 33, T-18-S, R-28-E
Eddy County
Travis - Upper Penn

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to surface commingle the above referenced leases. The proposed production operation is in accordance with the applicable provisions.

If you are in agreement and waive all objections to the surface commingling, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Should you have any question, please contact Steve Byrd with Marathon Oil Company at (915) 687-8488.

Sincerely,

Kerry Heerssen, Jr.
Landman

BLW//reglatory/commling/surface/crok1_b
Enclosure

Agreed and accepted this 24th day of MARCH 1998

by [Signature], as representative of

YATES PETROLEUM CORPORATION

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
 Yates Pet. Corp.
 105 S. Forest Street
 Artesia, NM 88210

5. Received By: (Print Name)
 JOANN GIBBGS

6. Signature: (Addressee or Agent)
 [Signature]

PS Form 3811, December 1994

4a. Article Number
 P 245 774 268

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

7. Date of Delivery
 03/19/98

8. Addressee's Address (Only if requested and fee is paid)

1. Addressee's Address
2. Restricted Delivery
 Consult postmaster for fee.

1. I also wish to receive the following services (for an extra fee):
2. Addressee's Address
3. Restricted Delivery
 Consult postmaster for fee.

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
 Reed & STAVONS, Inc.
 P. O. Box 1518
 Room 11, RM 88002-1518

5. Received By: (Print Name)
 [Signature]

6. Signature: (Addressee or Agent)
 [Signature]

PS Form 3811, December 1994

4a. Article Number
 P 245 774 271

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

7. Date of Delivery
 3-12-98

8. Addressee's Address (Only if requested and fee is paid)

1. Addressee's Address
2. Restricted Delivery
 Consult postmaster for fee.

1. I also wish to receive the following services (for an extra fee):
2. Addressee's Address
3. Restricted Delivery
 Consult postmaster for fee.

Domestic Return Receipt

Thank you for using Return Receipt Service.

To: Ben Stone
From: Marathon Oil Company

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
 ERON OIL & GAS CO.
 P. O. Box 2267
 Midland, TX 79702-2267

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
 [Signature]

PS Form 3811, December 1994

4a. Article Number
 P 245 774 269

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

7. Date of Delivery
 03/11/98

8. Addressee's Address (Only if requested and fee is paid)

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2. Restricted Delivery
 Consult postmaster for fee.

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Domestic Return Receipt

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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
 Roy G. Barton Jr., Trustee
 P. O. Box 578
 Hobbs, NM 88240-0578

5. Received By: (Print Name)
 [Signature]

6. Signature: (Addressee or Agent)
 [Signature]

PS Form 3811, December 1994

4a. Article Number
 P 245 774 270

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

7. Date of Delivery
 3-12-98

8. Addressee's Address (Only if requested and fee is paid)

1. Addressee's Address
2. Restricted Delivery
 Consult postmaster for fee.

1. I also wish to receive the following services (for an extra fee):
2. Addressee's Address
3. Restricted Delivery
 Consult postmaster for fee.

Domestic Return Receipt

Thank you for using Return Receipt Service.

From: Karathon U. Camp

P 245 774 268

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Yates Pet. Corp.	
Street & Number 105 S. Forth Street	
Post Office, State, & ZIP Code Artesia, NM 88210	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

P 245 774 270

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Roy G. Barton Jr., Trustee	
Street & Number P. O. Box 978	
Post Office, State, & ZIP Code Hobbs, NM 88240-0978	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

P 245 774 271

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Read & Stevens, Inc.	
Street & Number P. O. Box 1528	
Post Office, State, & ZIP Code Roswell, NM 88202-1518	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

P 245 774 269

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Enron Oil & Gas Co.	
Street & Number P. O. Box 2267	
Post Office, State, & ZIP Code Midland, TX 79702-2267	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

AMEND CTB 5/18/98

Mid-Continent Region
Production United States



P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

April 21, 1998

Ms. Lori Wrotenbery, Director
State of New Mexico
Oil Conservation Division
PO Box 2088
Santa Fe NM 87504-2088

APR 28 1998

Re: Request for Exemption to Rule 309-A
Surface Lease Commingling

Samuel Burns '34' St. Lease
N 1/2, Sec. 34, T-18-S, R-28-E
Eddy County
Travis - Upper Penn

James Buchanan '33' St. Lease
David Crockett '27' St. Lease
Henry Courtman '4' St. Lease
Travis - Upper Penn

Ms. Lori Wrotenbery:

Marathon Oil Company respectfully requests the State of New Mexico Oil Conservation Division to grant administrative approval for exemption to Rule 309-A for the above referenced leases. The Buchanan '33' St. lease and the Crockett '27' St. lease are currently commingled per Order No. CTB-467. An application to include the Courtman '4' St. lease in Order No. CTB-467 is currently awaiting approval. Marathon is requesting for the Burns '34' St. lease to also be included in Order No. CTB-467.

Marathon Oil Company proposes to produce the four leases to a common stock tank battery with separate metering facilities prior to commingling. The common battery will be at the James Buchanan '33' St. No. 1 location. It should be noted that there is a diversity of ownership between the leases. However, the proposed production operation is in accordance with the applicable provisions and all necessary parties have been notified by certified mail.

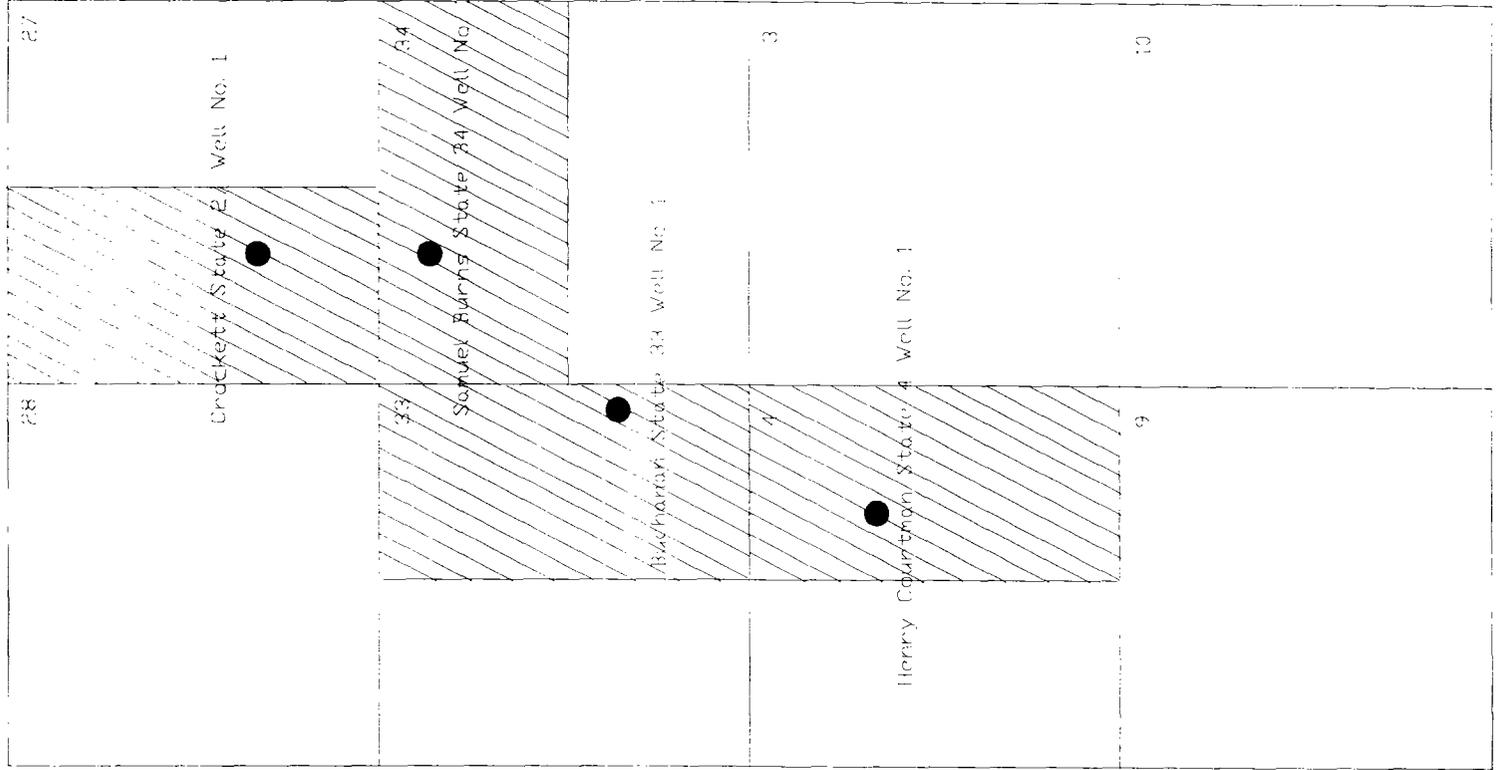
Please find attached a lease commingling plat and a production facility schematic. Please note that the value of the oil will not be adversely effected.

If you have any questions or comments, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bryan L. Williams'.

Bryan L. Williams
Production Engineer
(505) 393-7106 ext. 212
n:/reglatory/commling/surface/burnl_a
Attachments



David Crockett State 27 Lease
 Unit A,B,C,D,E,F,G,H,I
 W 1/2, Sec. 27, T-18S, N-28E

Samuel Burns State 34 Lease
 Unit A,B,C,D,E,F,G,H
 N 1/2, Sec. 34, T-18S, R-28E

James Buchanan State 33 Lease
 Unit A,B,C,D,E,F,G,H,I
 E 1/2, Sec. 33, T-18S, R-28E

Henry Courtman State 4 Lease
 Unit A,B,C,D,E,F,G,H,I
 E 1/2, Sec. 4, T-19S, R-28E

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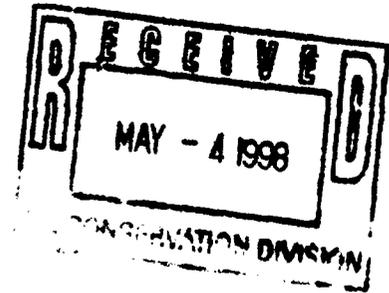
Mid-Continent Region
Production United States



P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

April 30, 1998

Ms. Lori Wrotenbery, Director
State of New Mexico
Oil Conservation Division
PO Box 2088
Santa Fe NM 87504-2088



Re: **Amended** Request for Exemption to Rule 309-A
Surface Lease Commingling

Samuel Burns '34' St. Lease
N 1/2, Sec. 34, T-18-S, R-28-E
Eddy County
Travis - Upper Penn

James Buchanan '33' St. Lease
David Crockett '27' St. Lease
Henry Courtman '4' St. Lease
Travis - Upper Penn

Ms. Lori Wrotenbery:

On April 21, 1998, Marathon Oil Company requested the State of New Mexico Oil Conservation Division to grant administrative approval for exemption to Rule 309-A for the above mentioned leases. In the initial request, the Henry Courtman '4' lease was incorrectly shown in the E 1/2, Sec. 4, T-19-S, R-28-E. The correct location is the N 1/2, Sec. 4, T-19-S, R-28-E. Please accept this letter as an amendment notification.

Please find attached a corrected lease commingling plat. It should be noted that the initial working interest owner notifications correctly identified the Courtman lease in the N 1/2 of Section 4.

If you have any questions or comments, please advise.

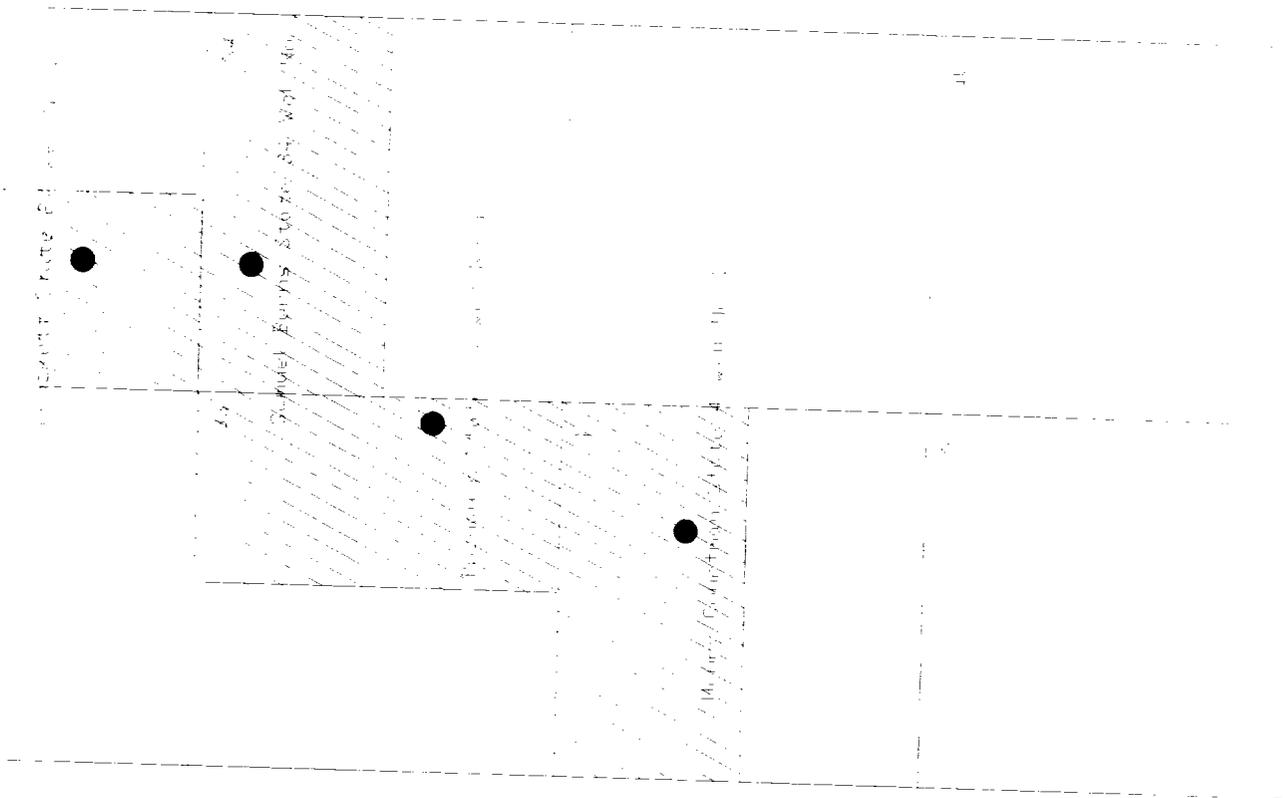
Sincerely,

A handwritten signature in cursive script, appearing to read 'Bryan L. Williams'.

Bryan L. Williams
Production Engineer
(505) 393-7106 ext. 212

n:/reglatory/commingling/surface/burn1_d
Attachments





1. The site plan shows the location of the sample points and the stationary work area.

2. The sample points are located at the corners of the stationary work area.

3. The stationary work area is located in the center of the site.

4. The working area is located in the bottom right corner of the site.

5. The site plan also shows the location of the South State Plaza.

AMEND CTB 5/4/98

Mid-Continent Region
Production United States



P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

April 7, 1998

Ms. Lori Wrotenbery, Director
State of New Mexico
Oil Conservation Division
PO Box 2088
Santa Fe NM 87504-2088

APR 13 1998

Re: Request for Exemption to Rule 309-A
Surface Lease Commingling

Henry Courtman '4' St. Lease
N 1/2, Sec. 4, T-19-S, R-28-E
Eddy County
Travis - Upper Penn

James Buchanan '33' St. Lease
E 1/2, Sec. 33, T-18-S, R-28-E
David Crockett '27' St. Lease
S 1/2, Sec. 27, T-18-S, R-28-E
Travis - Upper Penn
Order No. CTB-467

Ms. Lori Wrotenbery:

Marathon Oil Company respectfully requests the State of New Mexico Oil Conservation Division to grant administrative approval for exemption to Rule 309-A for the above mentioned leases.

Marathon Oil Company proposes to produce the three leases to a common stock tank battery with separate metering facilities prior to commingling. The common battery will be at the James Buchanan '33' St. No. 1 location. It should be noted that there is a diversity of ownership between the leases. However, the proposed production operation is in accordance with the applicable provisions and all necessary parties have been notified by certified mail.

Please find attached a lease commingling plat and a production facility schematic. Please note that the value of the oil will not be adversely effected.

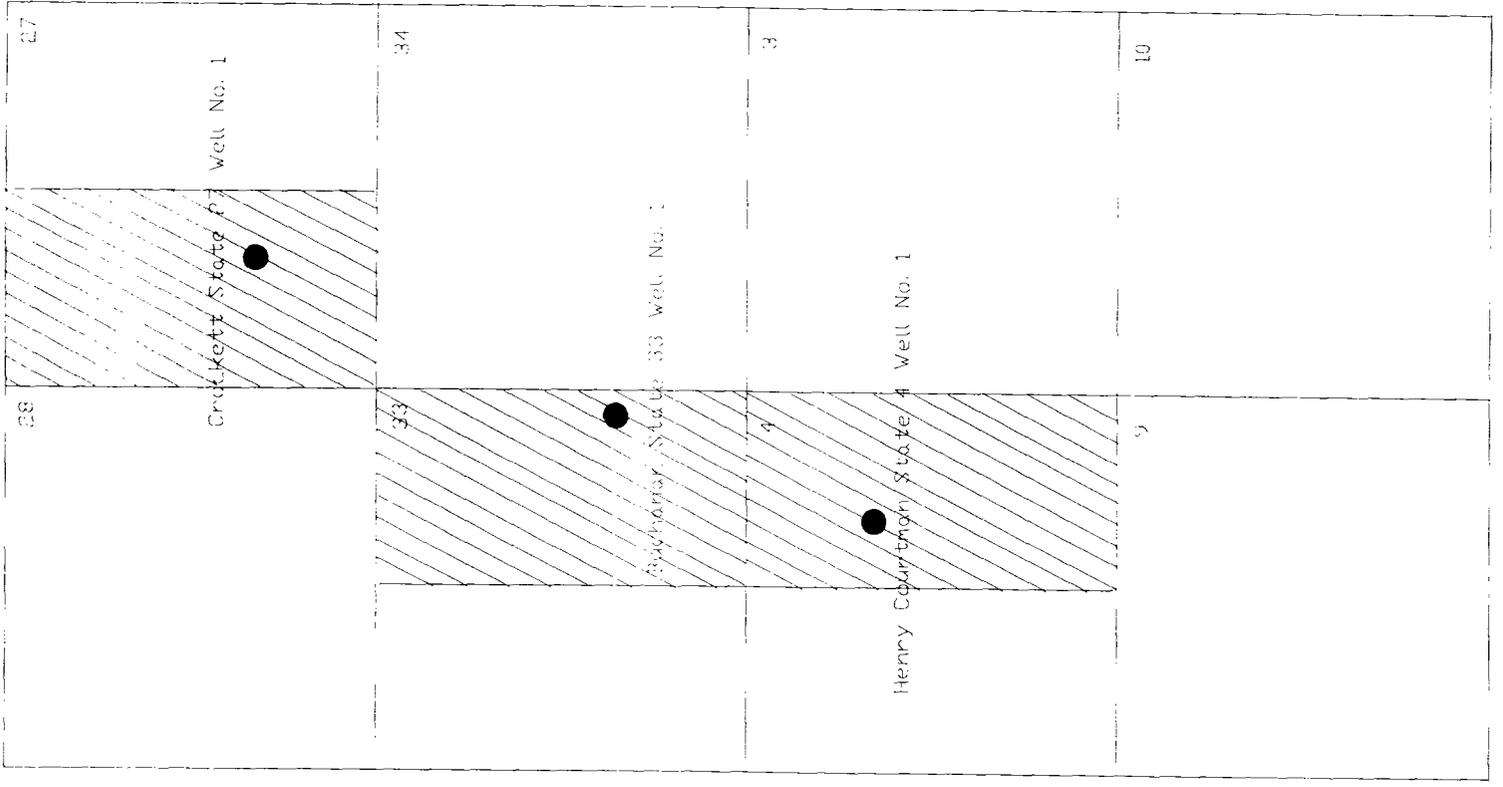
If you have any questions or comments, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Bryan L. Williams'.

Bryan L. Williams
Production Engineer
(505) 393-7106 ext. 212

n:/reglory/comming/surface courtl_a
Attachments



David Crockett State 27 Lease
 Unit CDDJ,K,L,M&N
 1/2 Sec. 27, T-18S, R-78E

James Buchanan State 33 Lease
 Unit ABGH,I,J&P
 E. 1/2, Sec. 33, T-18S, R-28E

Henry Courtman State 4 Lease
 Unit ABGH,I,J&P
 E. 1/2 Sec. 4, T-19S, R-78E

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CTB 467



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-3744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trall, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-3713

PLANNING
(505)-827-5752

April 23, 1998

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88241-2409

Attn: Mr. Bryan L. Williams

Re: Application for Surface Commingling
David Crockett '27' State Well No. 1
W/2, Section 27-18S-28E
James Buchanan '33' State Well No. 1
E/2, Section 33-18S-28E
Travis Upper Penn Pool
Eddy County, New Mexico

Dear Mr. Williams:

The New Mexico Oil Conservation Division has advised this office that Marathon Oil Company has applied to surface commingle the production from the David Crockett '27' State Well No. 1 and the James Buchanan '33' State Well No. 1. Marathon Oil Company proposes to store the commingled production from the above-captioned wells at the Buchanan Well No. 1 tank battery site located in Unit Letter I of Section 33-18S-28E.

Pursuant to State Land Office Rule No. 1.053, 1.054 and 1.055, please submit an application to this office for our approval together with the data recommended on the attached commingling pre-application form. The filing fee for a commingling application is \$30.00.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:
JAMI BAILEY, Deputy Director
Oil/Gas and Minerals Division
(505) 827-5745

RP/JB/cpm
Enclosure
pc: Reader File

OCD--Attention: David Catanach, Ben Stone