

Ashley, Mark

From: Bryan L Williams[SMTP:BLWilliams@MarathonOil.com]
Sent: Monday, September 14, 1998 4:25 PM
To: Ashley, Mark
Subject: Travis Field surface commingling



EVRY2_-2.DOC

Mark, sorry about getting this to you so late in the day. The 06:00 red-eye flight out of Midland this morning is slowing me down.

The attached is a revised request letter concerning the issues that we discussed the other day. Please review and let me know if this is in line with what you were wanting. In particular, if this meets your needs and you are able to provide a verbal approval, please e:mail me your approval. With your approval, I will mail you a hard copy when I get back in the office on Friday. Also, if you wouldn't mind, if you are able to give a verbal approval, can you call Greg Muse @ 505-393-7106 ext. 208 and relay the approval to him. I am down here at A&M recruiting and I don't think I will be able to check my e:mail until late tomorrow. Thank You.

Bryan Williams
Marathon Oil Co.

391-2358 GREG MUSE
393-2432 (FM)

9-15-98

9:35AM

CALLED GREG & GAVE VERBAL. WILL FOLLOW-UP WITH
TEMPORARY APPROVAL FOR 90 DAYS.

September 14, 1998

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

Re: Request for Exemption to Rule 309-A
Multiple Lease & Multiple Pool Surface Commingling
Sec. 15, 22, 26, 27, 33, & 34; T-18-S; R-28-E
Sec. 4; T-19-S; R-28-E
Eddy Co.
Travis - Upper Penn (59860)
Wildcat, Travis - Wolfcamp (96833)

Dear Ms. 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 attached referenced leases and above referenced pools. The Buchanan '33' St. lease, Samuel Burns '34' St. lease, David Crockett '27' St. lease, Henry Courtman '4' St. lease, James Garvin '22' St. lease, J. Guerrero '34' St. lease, Edward Mitchusson '4' St. lease, George Pagan '26' St. lease, and W.B. Travis '15' St. lease are currently commingled per Order No. CTB-467 as a multiple lease, single pool (Travis Upper Penn - 59860) order. Marathon is requesting approval for a multiple lease, multiple pool order on the aforementioned leases and the above referenced pools.

Marathon Oil Company has proposed to produce the Travis Upper Penn to a central battery located at the J. Buchanan 33 St. No. 1 location per commingling Order No. CTB-467. The proposed system was developed utilizing satellite testing and lease metering facilities with the liquids sent to the central battery for disposition and the gas sold on lease. Unfortunately, not all wells drilled in this ongoing field development have been economically productive in the Travis Upper Penn. For this reason, additional zones of interests are being tested.

Since it has become necessary to complete zones in addition to the Upper Penn, it is now necessary to amend commingling Order No. CTB-467 to include the Travis Wolfcamp Wildcat (96833). Surface commingling of produced fluids from multiple horizons is required to economically produce the current horizons being tested in this development.

We however assure you that the existing and planned production facilities located at each lease, and at the central battery, will provide for the accurate determination and allocation of production from each production well and each productive horizon. Please note the proposed amendment will remain in accordance with the applicable provisions.

Marathon is proposing the generalized Travis Upper Penn and Travis Wolfcamp lease commingling to help alleviate the need for numerous, replicating commingling amendments as it becomes necessary to complete additional Wolfcamp wells in this Travis Field development.

Marathon Oil Company
Request for Exemption to Rule 309-A
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Marathon is also requesting that the Oil Conservation Division apply the State Land Office and working interest owner's approvals concerning the August 19, 1998, Travis Upper Penn, Travis Wolfcamp Wildcat, Illinois Camp, N. Morrow, Illinois Camp Morrow, and Turkey Track, N Morrow application. By applying the previous approvals to this less inclusive Travis Upper Penn and Travis Wolfcamp Wildcat application, an additional 20-day application delay period will not be necessary.

If you have any questions or comments, please contact Greg D. Muse, Northwest Operations Superintendent at (505) 391-2358.

Sincerely,

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

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CTB 467



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, 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)-827-5713

PLANNING
(505)-827-5752

September 2, 1998

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

Attn: Mr. Bryan L. Williams

Re: Application for Multiple Lease and Multiple Pool Surface Commingling
Travis Upper Penn (59860), Illinois Camp, N-Morrow (21072), Illinois Camp-Morrow (78880),
Turkey Track, N-Morrow (96500), Wildcat Travis-Wolfcamp (96833)
David Crockett "27" State Lease
Unit Letter K, Section 27-18S-28E
Samuel Burns "34" State Lease
Unit Letter C, Section 34-18S-28E
James Buchanan "33" State Lease
Unit Letter I, Section 33-18S-28E
Henry Courtman "4" State Lease
Unit Letter G, Section 4-19S-28E
James Garvin '22' State Lease
Unit Letter O, Section 22-18S-28E
J. Guerrero '34' State Lease
S/2, Section 34-18S-28E
Edward Mitchusson '4' State Lease
Unit Letter K, Section 4-19S-28E
George Pagan '26' State Lease
W/2, Section 26-18S-28E
W.B. Travis '15' State Lease
Unit Letter A, Section 15-18S-28E
Buchanan Central Production Battery
Eddy County, New Mexico

Dear Mr. Williams:

We are in receipt of your application of August 19, 1998, wherein you have requested our approval to commingle multiple leases and multiple pools for the above-captioned wells.

We understand that Marathon will produce the leases into the James Buchanan "33" State Well No. 1 tank battery with separate lease and test metering facilities prior to commingling. The James Buchanan "33" State Well No. 1 tank battery facility is located in Unit Letter I, Section 33-18S-28E.