

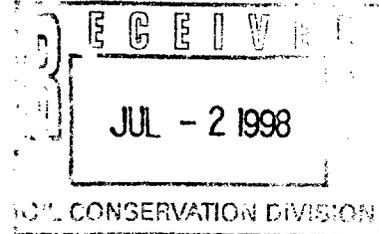
PC N/A
979
Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

June 29, 1998

Mr. David Catanach
Oil Conservation Department
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501



**RE: Request for Exception to Rule 303-A
Application for Surface Commingling**

**W. H. Laughlin Battery
Unit Letter E, 2310' FNL & 940' FWL
Section 9, T-20-S, R-37-E
Monument Tubb
Lea County, New Mexico**

**W. H. Laughlin Well No. 8
Unit Letter F, 1760' FNL & 1750' FWL
Section 9, T-20-S, R-37-E
Monument Abo
Lea County, New Mexico**

Dear Mr. Catanach:

Marathon Oil Company respectfully requests administrative approval to permit the surface commingling of production in the above mentioned production.

Marathon Oil Company has a 100% Working Interest in the above mentioned lease and all Royalty Interest Owners are identical in both pools. Marathon Oil Company proposes to utilize the W. H. Laughlin storage and sales facility currently utilized for the Tubb production from Laughlin Well No. 7. Since the wells/pools are marginal, the production will be determined from periodic well test. The proposed production operation is in accordance with the applicable provisions.

Please find attached a lease plat and a production facility schematics. The Tubb oil production (7 BOPD @ 37 API) is currently valued at WTI crude price. The Abo oil production (40 BOPD @ 39 API) is valued at WTI crude price. The commingled estimated oil production (47 BOPD @ 39 API) is anticipated to be valued at WTI crude price. Therefore, there will not be any loss in value of the commingled production.

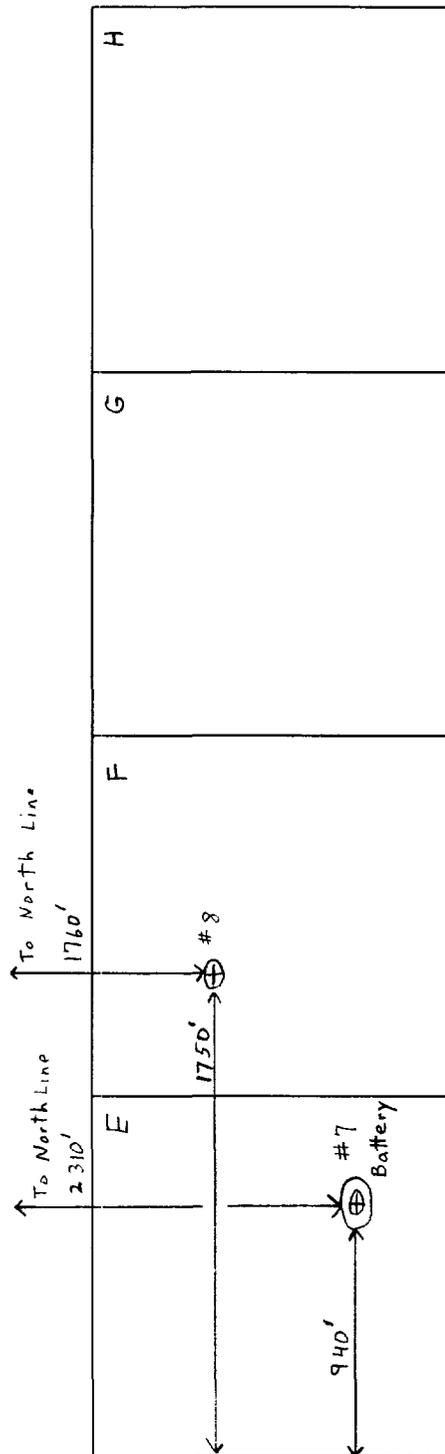
If additional information is necessary, please contact me at (505) 393-7106, ext 201.

Sincerely,

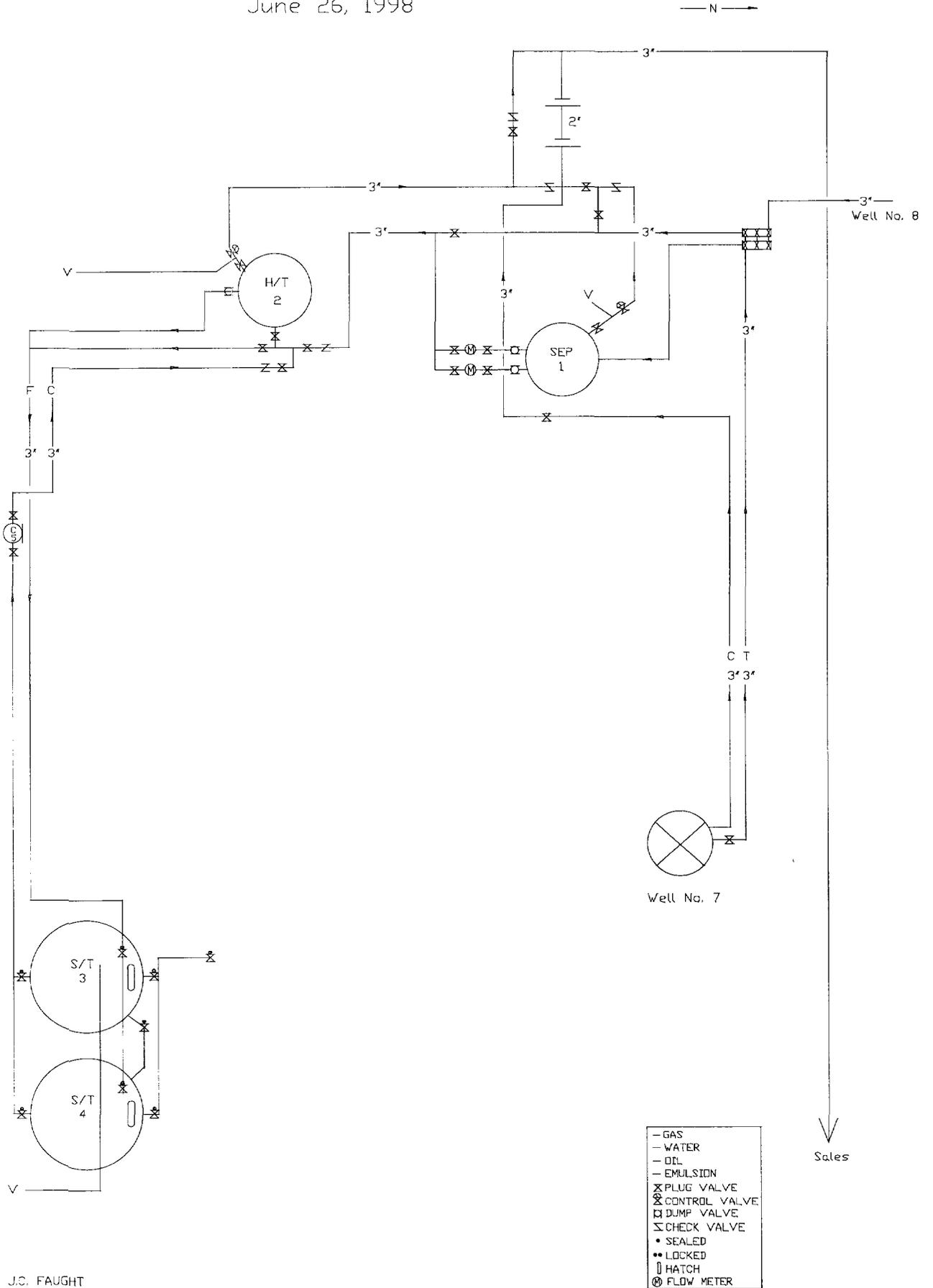
A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

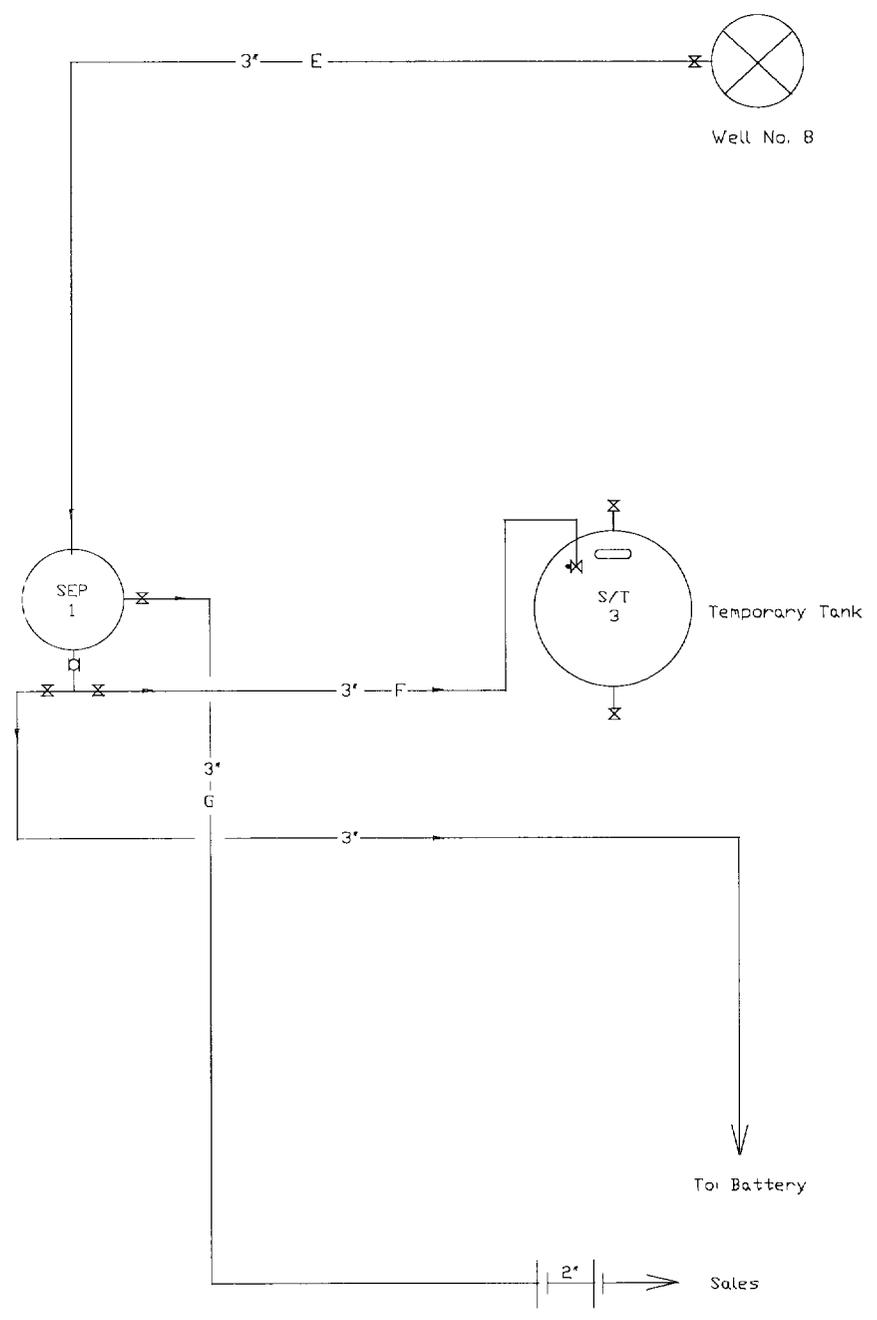
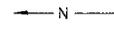
W. H. Laughlin Lease
Sec 9, T-20-S, R-37-E
Monument Field
Lea County, NM



Production Facility Drawing
 W. H. Laughlin Well No. 7 Battery
 2310' FNL & 940 FWL'
 Sec. 9, T-20S, R-35E
 Monument Field, NM
 June 26, 1998



Production Facility Drawing
 W. H. Laughlin Well No. 8
 Monument Field, NM
 June 26, 1998



- GAS
- WATER
- OIL
- EMULSION
- ⊗ PLUG VALVE
- ⊗ CONTROL VALVE
- ⊞ DUMP VALVE
- ∑ CHECK VALVE
- SEALED
- LOCKED
- ⊞ HATCH
- ⊗ FLOW METER

Submit to Appropriate
 District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1990, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer 60, Artesia, NM 88210

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

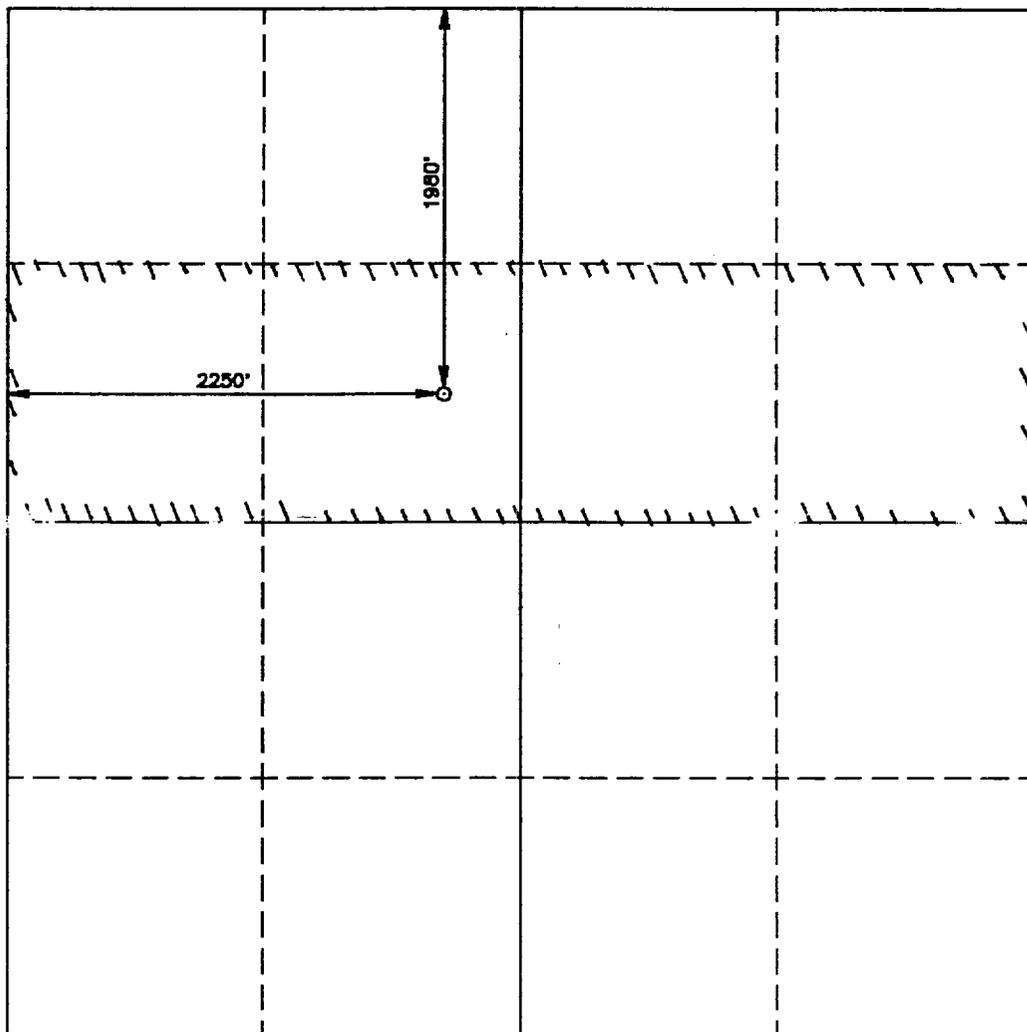
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARATHON OIL COMPANY			Lease W.H. LAUGHLIN		Well No. 6
Unit Letter F	Section 9	Township 20 SOUTH	Range 37 EAST	County NMPM LEA	
Actual Footage Location of Well: 1980 feet from the NORTH line and 2250 feet from the WEST line					
Ground Level Elev. 3544'	Producing Formation Yates, SR, QN		Pool Eumont		Dedicated Acreage: 160 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 of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)
 No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
T. B. Arnold
 Printed Name
T. B. Arnold
 Position
Drig. Supt.
 Company
Marathon Oil Company
 Date
3-11-94

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
February 17, 1994
 Signature & Seal of MEXICO
 Professional Surveyor

 Certificate No. **JOHN W. WEST, 676**
RONALD J. EDSON, 3239
GARY L. JONES, 7977

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

94-11-0294