

AC N/R

Houston Division
Production Operations, United States

1011



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

June 1, 2000

Mr. Mark Ashley
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**

**Laughlin Battery
Unit Letter H, 2310' FNL & 330' FEL
Section 9, T-20-S, R-37-E
Monument Tubb
Lea County, New Mexico**

**Laughlin Well No. 2
Unit Letter G, 2310' FNL & 2310' FEL
Section 9, T-20-S, R-37-E
Monument Paddock
Lea County, New Mexico**

Dear Mr. Ashley:

Marathon Oil Company respectfully requests administrative approval to permit the surface commingling of production in the above mentioned production. The Laughlin Well No. 2, will be recompleted to the Paddock and then Down-Hole Commingled with the Tubb.

Marathon Oil Company has a 100% Working Interest in the above mentioned lease and all Royalty Interest Owners are identical in both pools. We proposes to utilize the Laughlin storage and sales facility currently utilized for the Tubb production from the Laughlin wells. 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 (6 BOPD @ 37 API) is currently valued at WTI crude price. The Paddock oil production is expected to be (20 BOPD @ 36 API) and to be valued at WTI crude price. The commingled estimated oil production (26 BOPD @ 36 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,

Thomas P. Kacir
Production Engineer

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34067		² Pool Code 47090		³ Pool Name MONUMENT: TUBB	
⁴ Property Code 24655		⁵ Property Name Laughlin			⁶ Well Number 2
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation GL: 3541'

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	9	20-S	37-E		2310'	NORTH	2310'	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 80	¹³ Joint or Infill Y	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>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Thomas P. Kacir</u> Signature Thomas P. Kacir Printed Name Production Engineer Title 6/1/00 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>_____ Date of Survey _____ Signature and Seal of Professional Surveyer:</p> <p>_____ Certificate Number</p>



1/31/67

MONUMENT

Marathon Oil Company
 Laughlin Lease
 Sec 9
 T-20-S
 R-37-E
 U.L.G., H

EUMONT-HARDY UNIT
 GREENHILL PET. (OPER)

SCAGGS

WEIR

EUMONT-HARDY UNIT
 LYNX PET. CONS.
 (OPER)

SCAGGS, S

CASS, S

TEACOC
 1330
 State

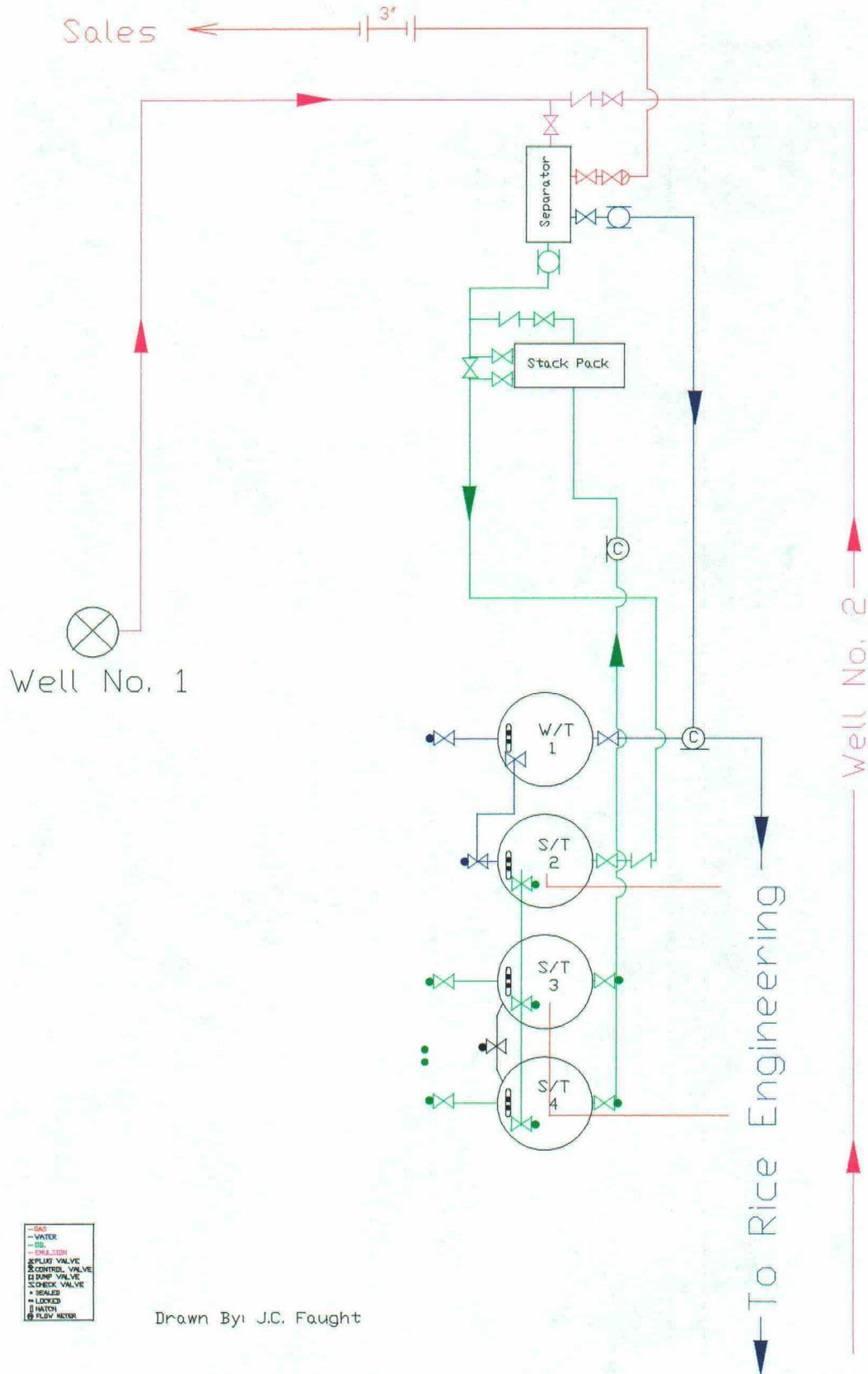
Marathon
 314
 State

Marathon
 NBP
 State

Marathon
 20
 State

Marathon
 37
 State

Production Facility Drawing
 Laughlin Battery
 Monument Field, NM
 SE/NE Sec. 9, T-20S, R-37E
 June 2, 2000



Drawn By: J.C. Faught