



MARATHON OIL COMPANY

P. O. Box 220
Hobbs, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Dear Sir:

Marathon Oil Company hereby respectfully requests an exception to Rule 303 (a) to permit the commingling in common facilities Vacuum Glorieta, North Vacuum Abo, and Vacuum Wolfcamp production on its State Warn A/c 1 lease comprising the NE/4 of the SW/4 and the SE/4 of the NW/4 of Section 31, T.17S, R.35E, Lea County, New Mexico. Commingling is proposed after separately metering the Vacuum Glorieta and North Vacuum Abo production and determining the Vacuum Wolfcamp by means of the subtraction method, allocating the production to the Vacuum Wolfcamp zone by means of periodic tests.

Marathon Oil Company presently has one Glorieta well on the subject lease. However, Well No. 3, now drilling, is a proposed Vacuum Glorieta, North Vacuum Abo and Vacuum Wolfcamp triple. In that the field rules for the North Vacuum Abo and Vacuum Wolfcamp Pools specify 80 acre units, this lease will be fully developed with the completion of the above mentioned triple.

The above described commingling installation will be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the installation of non-reset counters on the meters.

Attached hereto is a data sheet relating to gravity, volumes, and values of the liquid hydrocarbons along with a plat of the State Warn A/c 1 lease and a schematic diagram of the proposed installation. It may be noted that top allowable for each zone has been used in preparing the above data sheet. Marathon Oil Company owns 100 percent working interest in the subject lease. The Commissioner of Public Lands for the State of New Mexico has been furnished a copy of this application and it is requested that he forward his approval of the proposed commingling installation to the Oil Conservation Commission.

Yours very truly,

MARATHON OIL COMPANY
Engineering Department


John R. Barber
Area Petroleum Engineer

JRB:bjc

cc: State Land Comm.
Box 791, Santa Fe, N.M.
NMOCC - Hobbs

HOBBS OFFICE O. C. C.

May 15 1964
AUG 31 7 58 AM '64

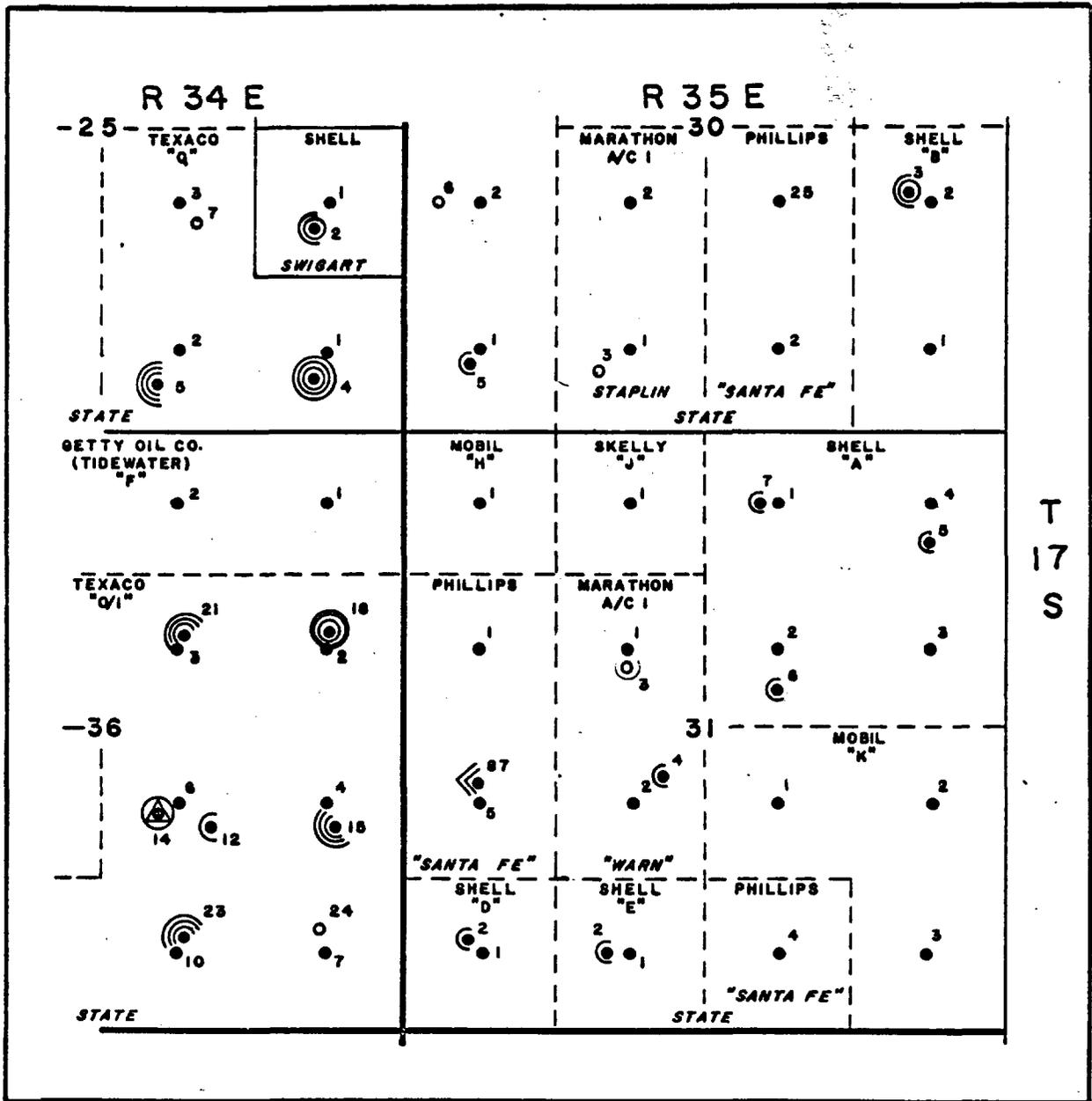
Zone	No. Wells	Top Unit Allow. BOPD	Daily Prod. BOPD	Gravity °API	Selling Price* \$/Bbl.	Income Per/Day \$
Vacuum Glorieta	2	51	102	38.5	2.97	302.94
North Vacuum Abo	1	182	182	39.5	2.99	544.18
Vacuum Wolfcamp	1	182	<u>182</u>	39.5	2.99	<u>544.18</u>
			466			1391.30

Total revenue from crude sold from separate storage - - - - - \$1391.30

Commingled values 466 39.3 2.99 1393.34

Gain in value of crude as a result of commingling - - - - - \$ 2.04/Day

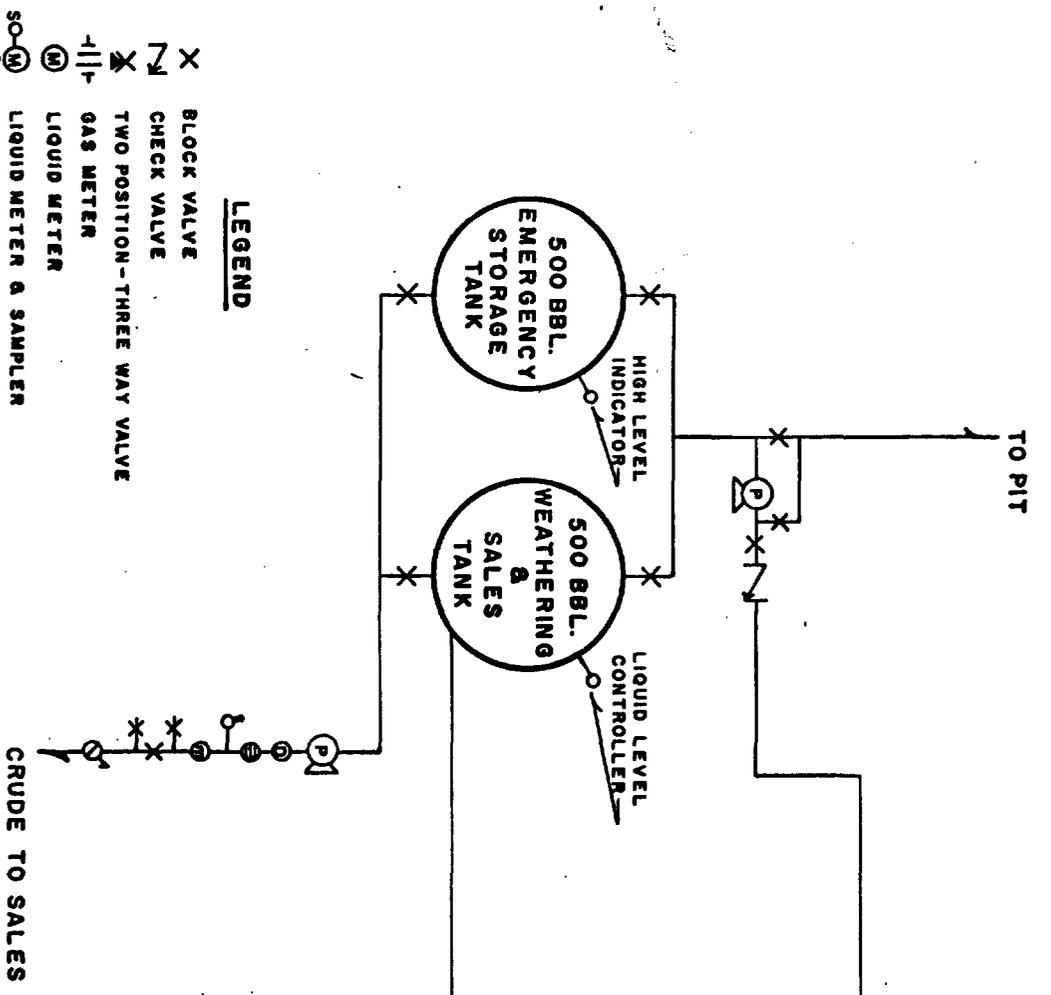
* West Texas Intermediate



LEGEND

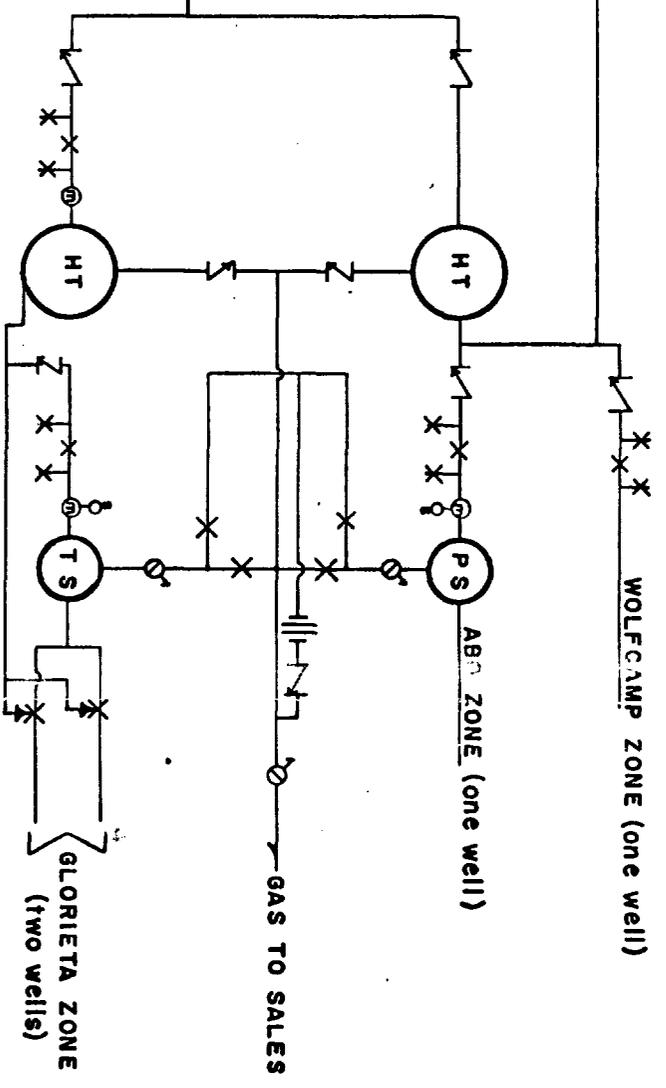
- VACUUM GRAYBURG-SAN ANDRES
- ◎ VACUUM BLINEBRY
- ⊙ VACUUM GLORIETA
- ⊖ DUAL-VACUUM (GLORIETA & BLINEBRY)
- ⊕ DUAL-VACUUM (WOLFCAMP) & N. VACUUM (ABO)
- ⊗ TRIPLE-VACUUM (WOLFCAMP, PENN) & N. VACUUM (ABO)
- ⊘ TRIPLE-VACUUM (WOLFCAMP, GLORIETA) & N. VACUUM (ABO)
- ⊙ PROPOSED TRIPLE-VAC. (WOLFCAMP, GLORIETA) & N. VAC. (ABO)
- DRILLING

MARATHON OIL COMPANY
 "Plat of St. Warn A/c 1 Lease"
 Lea County, New Mexico
 Scale: 1" = 1500' 4-24-64



LEGEND

- X BLOCK VALVE
- ∩ CHECK VALVE
- X TWO POSITION-THREE WAY VALVE
- ||- GAS METER
- (M) LIQUID METER
- SO-(M) LIQUID METER & SAMPLER
- ⊗ SAMPLER
- ⊙ BACK PRESSURE VALVE
- ⊖ DEAERATOR
- ⊕ STRAINER
- (P) PUMP
- X-X-X PROVER OR TEST CONNECTIONS
- (T S) TEST SEPARATOR
- (P S) PRODUCTION SEPARATOR
- (HT) HEATER TREATER



MARATHON OIL COMPANY
PROPOSED COMMINGLING AND AUTOMATIC CUSTODY TRANSFER BATTERY
 STATE WARN A/G I LEASE
 LEA COUNTY, NEW MEXICO
 MAY 14, 1964
 SCALE: NONE