



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

July 28, 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 Pool Commingling

Owens Well No. 1 (30-045-10866)
990' FWL & 990' FSL
Section 7
T-31-N, R-12-W
Blanco Mesa Verde
San Juan County, NM

Owens Well No. 1A (30-045-30130)
1980' FWL & 1975' FSL
Section 7
T-31-N, R-12-W
Blanco Mesa Verde
San Juan County, NM

Stagecoach Well No. 1 (30-045-30206)
1200' FWL & 1287' FSL
Section 7
T-31-N, R-12-W
Basin Fruitland Coal
San Juan County, NM

Dear Mr. Ashley:

Marathon Oil Company respectfully requests administrative approval to permit the surface commingling of gas production in the above mentioned pools. Letters have been sent to all Interest Owners in the above mentioned Federal lease. The basic price we receive will be the same for the product from these zones and value will not be adversely affected.

We propose to utilize the storage tanks on the individual well locations for oil sales and the gas gathering system for transporting gas to the compressor and sale meters. Production from the wells will be separated (liquid and gas) and the gas will be metered prior to commingling. The proposed production operation is in accordance with the applicable provisions.

The Stagecoach is currently producing only water (Fruitland Coal). When this well starts producing gas the BTU content is expect to be approximately 1000.

Please find attached a lease plat, gathering system plat and production facility schematics. If additional information is necessary, please contact me at (505) 393-7106, ext 201.

Sincerely,

Thomas P. Kacir

Thomas P. Kacir
Production Engineer



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

July 28, 2000

Mr. Richard Denbowski
BLM
Petroleum Management Team
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

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

**Owens Well No. 1
990' FWL & 990' FSL
Section 7
T-31-N, R-12-W
Blanco Mesa Verde
San Juan County, NM**

**Owens Well No. 1A
1980' FWL & 1975' FSL
Section 7
T-31-N, R-12-W
Blanco Mesa Verde
San Juan County, NM**

**Stagecoach Well No. 1
1200' FWL & 1287' FSL
Section 7
T-31-N, R-12-W
Basin Fruitland Coal
San Juan County, NM**

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The Stagecoach is currently producing only water (Fruitland Coal). When this well starts producing gas the BTU content is expect to be approximately 1000.

Please find attached a lease plat, gathering system plat and production facility schematics. If additional information is necessary, please contact me at (505) 393-7106, ext 201.

Sincerely,

A handwritten signature in black ink that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

Marathon Oil Company

Wells to be attached to the gas gathering system

Owens & Stagecoach Leases

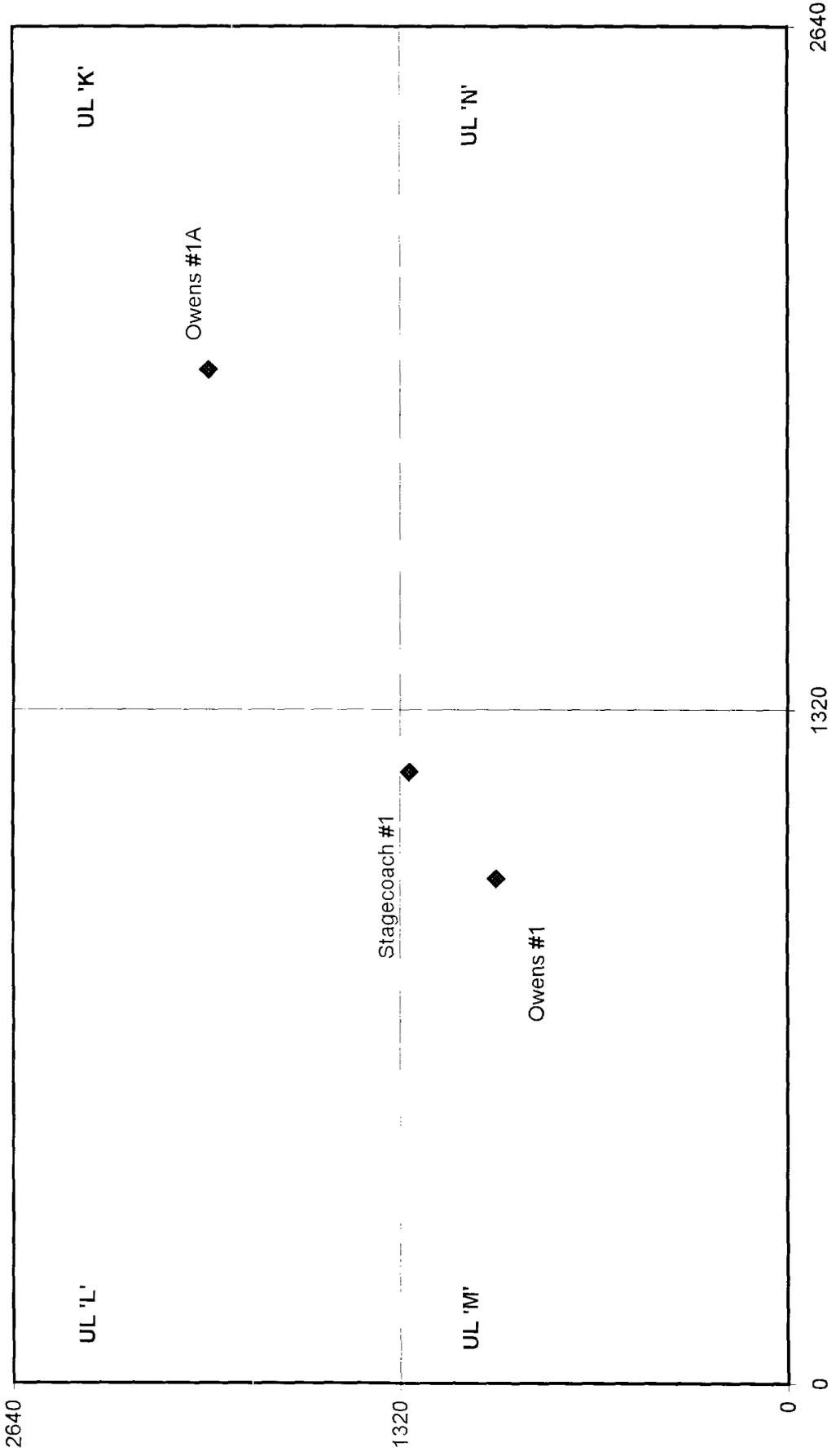
Section 7

T-31-N, R-12-W

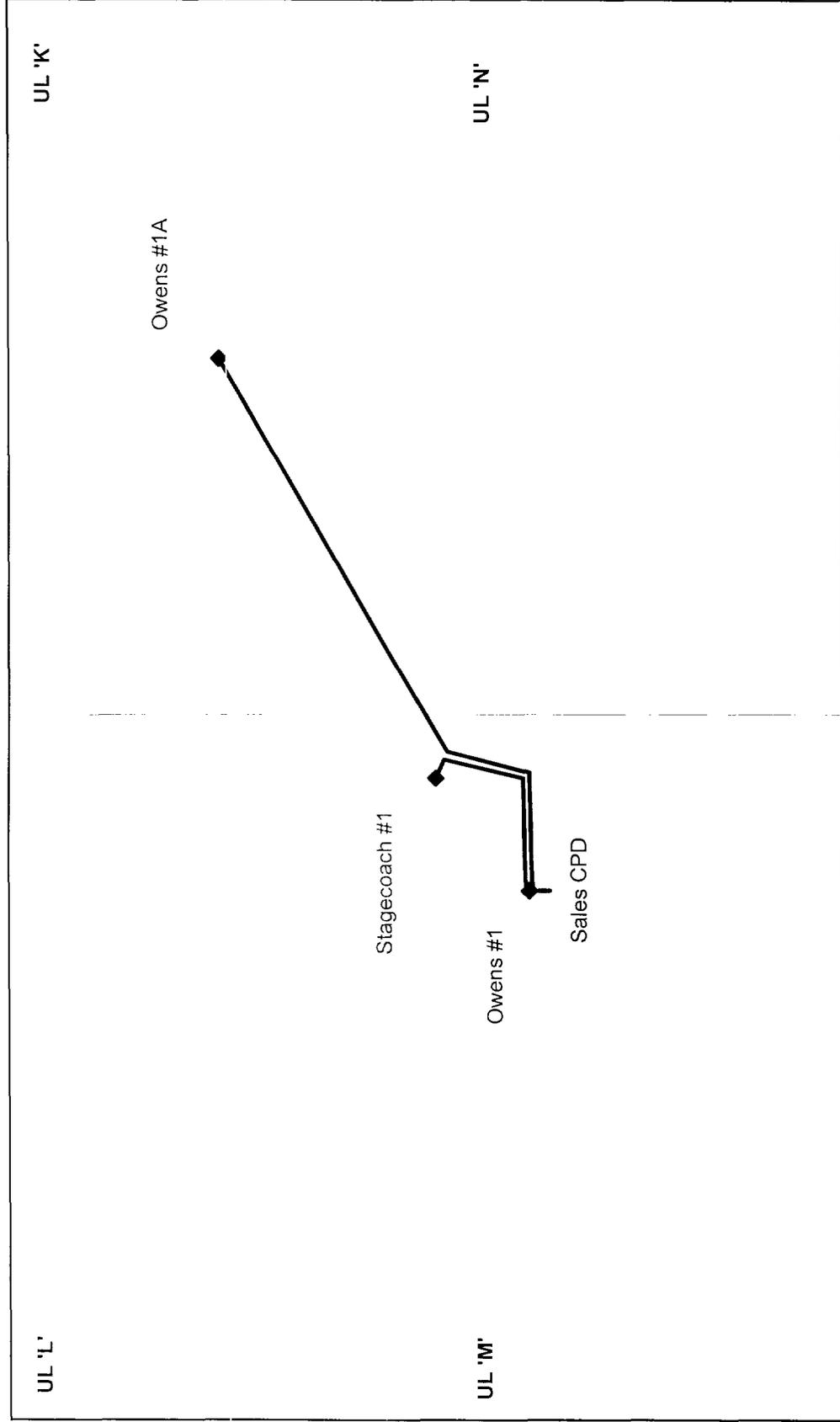
San Juan County, New Mexico

<u>Well Name & No.</u>	<u>Zone/Pool</u>	<u>Status</u>	<u>MCFPD</u>	<u>BTU</u>
Owens #1	Blanco Mesa Verde	Producing	54	1215
Owens #1A	Blanco Mesa Verde	Producing	375	1223
Stagecoach #1	Basin Fruitland Coal	(expected)	100	1000
Total			529	

Marathon Oil Company
Owens & Stagecoach Lease
SW/4, Sec 7, T-31-N, R-12-W



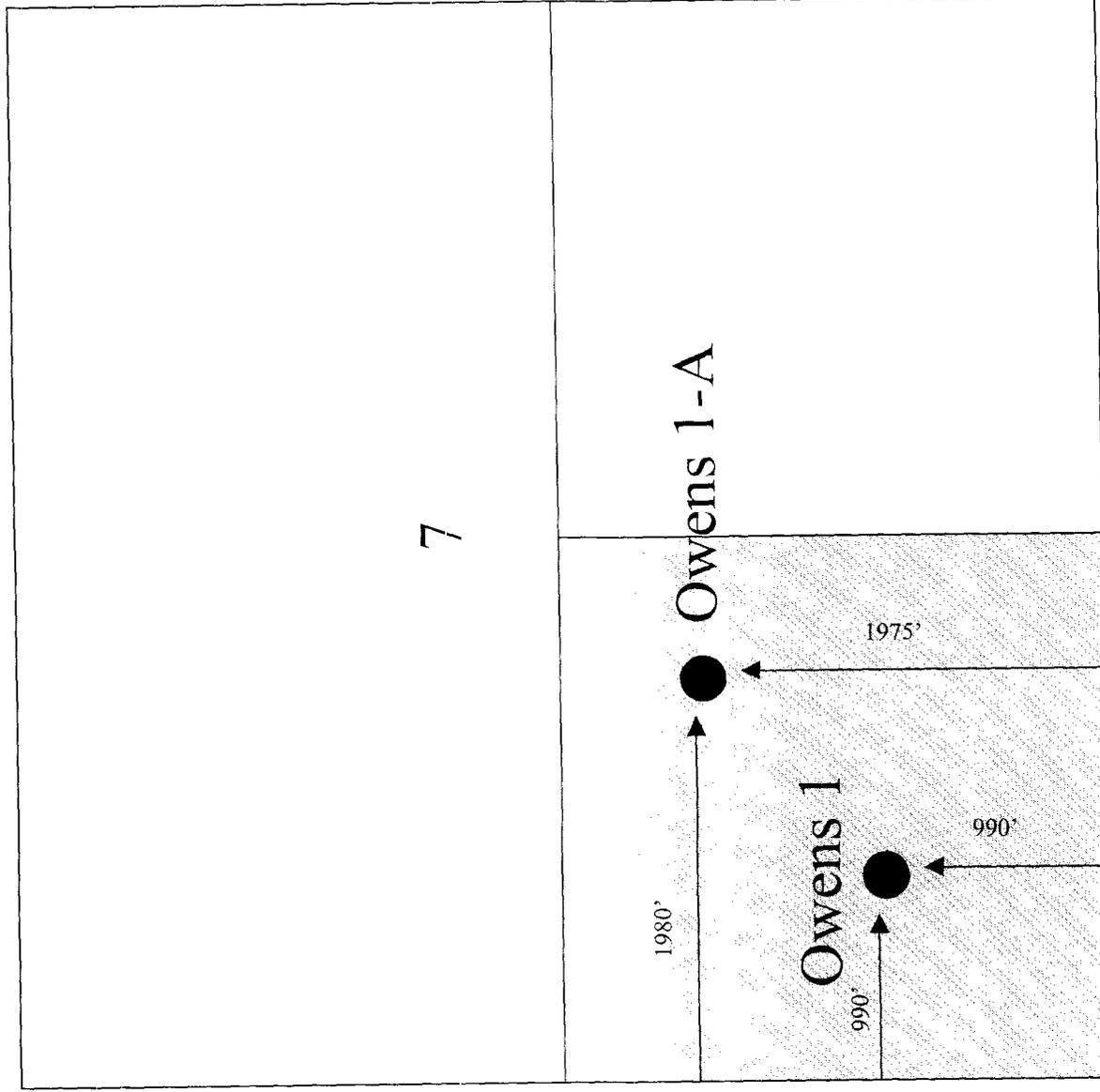
**Marathon Oil Company
Gas Line for the
Owens & Stagecoach Lease
SW/4, Sec 7, T-31-N, R-12-W**



**Oil & Gas Lease
 USA NMSF-0078243
 E/2 SW/4 & LOTS 3 & 4
 (MESAVERDE FORMATION)
 SAN JUAN COUNTY, NM**

INTEREST OWNERS

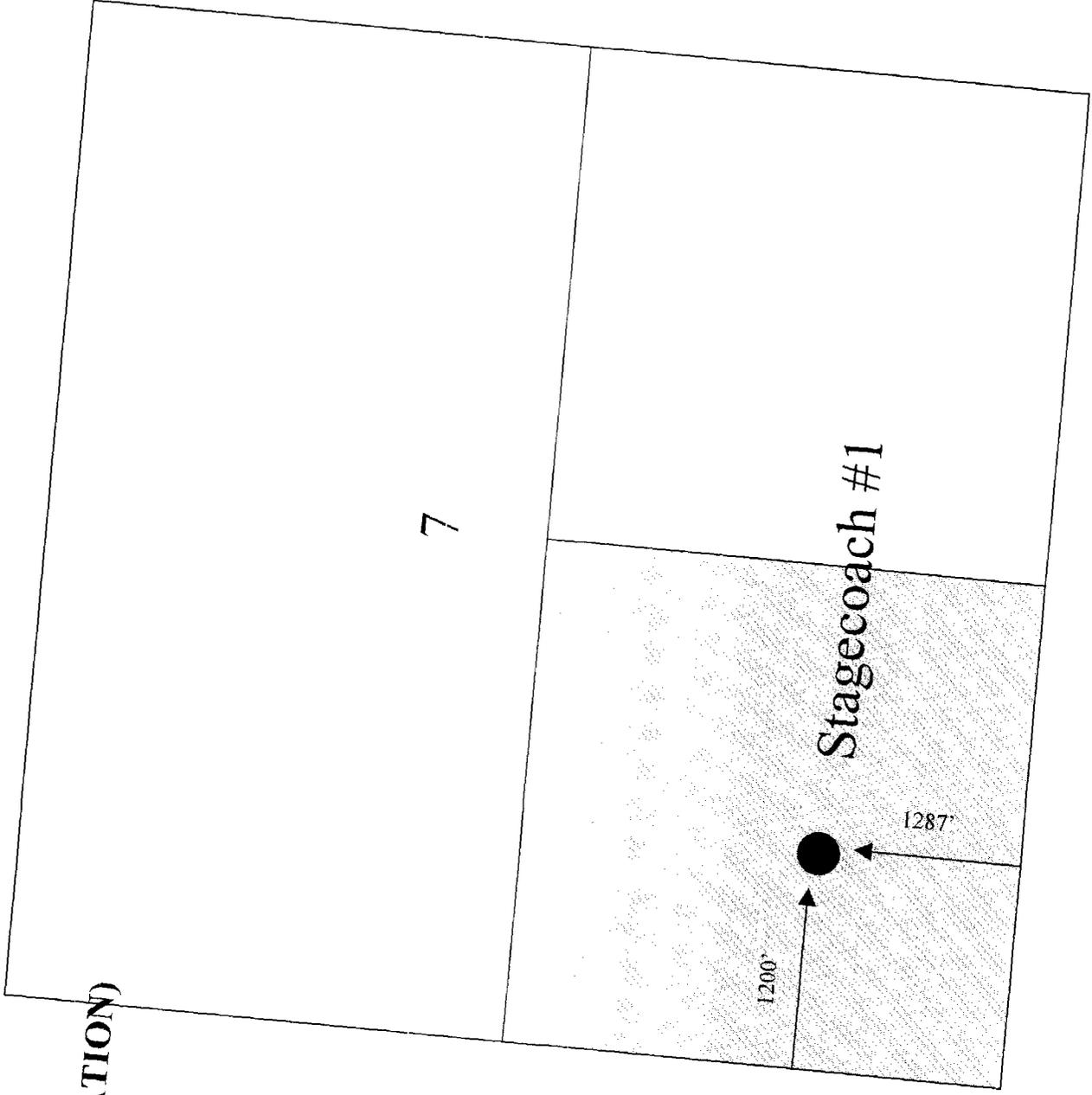
- MMS (RI)
12.5%
- MARATHON OIL CO.
50.59929%
- GREYSTONE ENERGY
48.04992%
- ARTHUR ALSBERG
.19297%
- SANFORD E. BECKER
.19297%
- MAJORIE A. BACHMAN EST.
.19297%
- SUSAN K. BAKER
.19297%
- JOHN V. GUTTAG
.19297%
- RICHARD S. BECKER
.19297%
- THOMAS KAUFMANN
.19297%



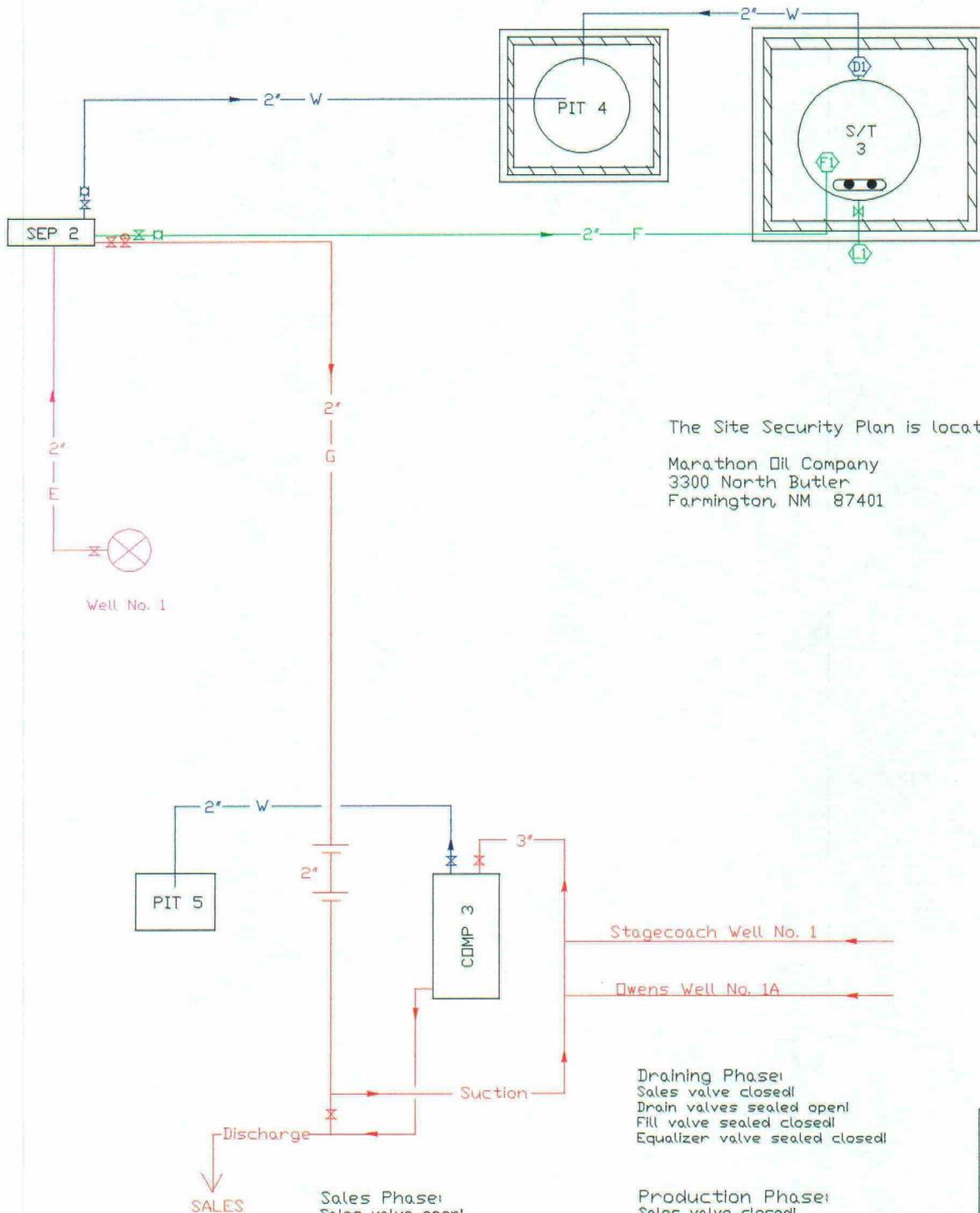
Oil & Gas Lease
USA NMSF-0078243
E/2 SW/4 & LOTS 3 & 4
(FRUITLAND COAL FORMATION)
SAN JUAN COUNTY, NM

INTEREST OWNERS

MMS (RI)
12.5%
MARATHON OIL CO.
50.59929%
GREYSTONE ENERGY
49.400710%



Production Facility Drawing
 Owens Well No. 1 Battery
 SW/SW Unit Letter M, Sec. 7, T-31N, R-12W
 La Plata Field, NM
 Lease No. SF078243
 July 24, 2000



The Site Security Plan is located at:
 Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

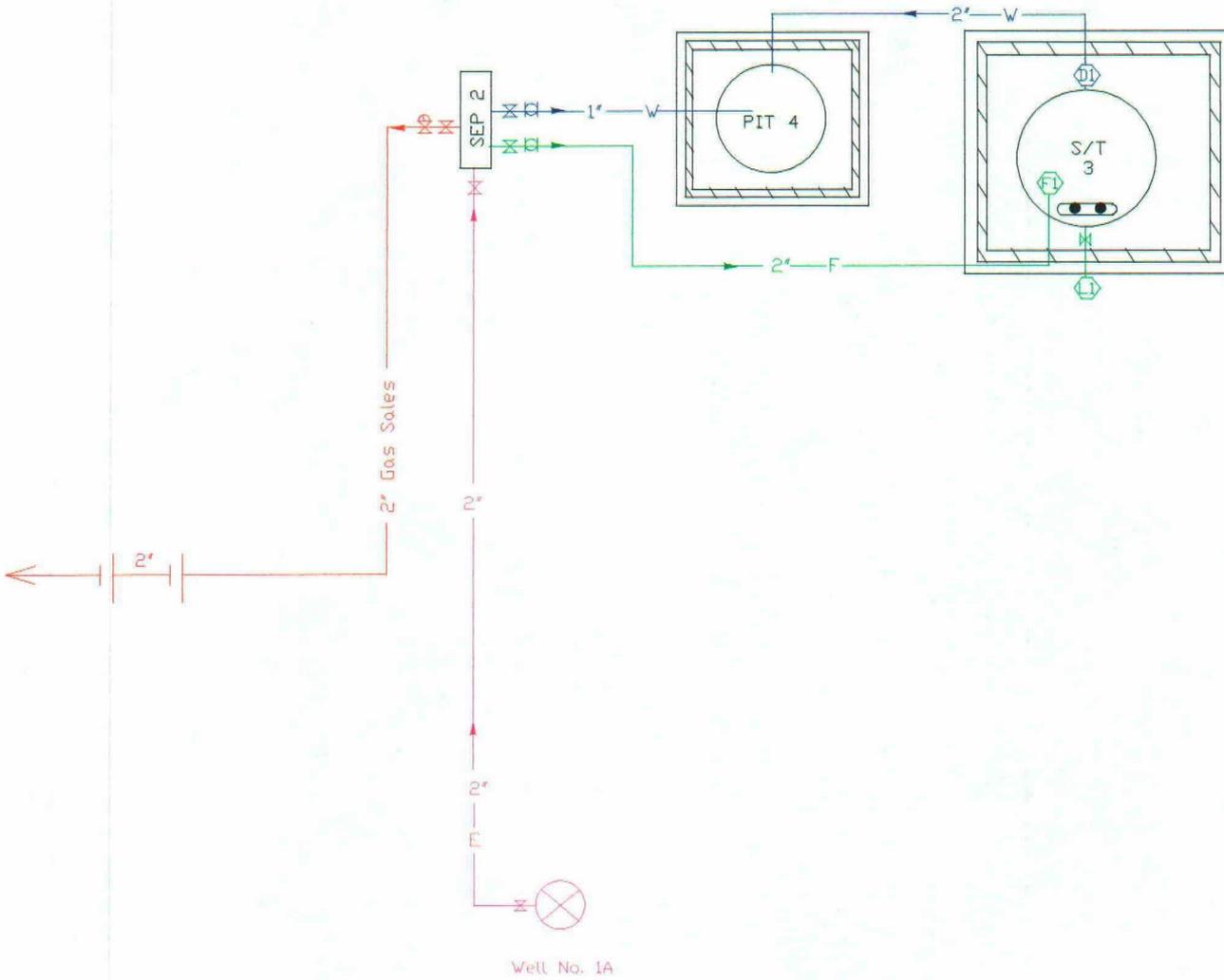
Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

—	GAS
—	WATER
—	OIL
—	EMULSION
⊗	PLUG VALVE
⊠	CONTROL VALVE
⊞	DUMP VALVE
⊚	CHECK VALVE
•	SEALED
••	LOCKED
⊠	HATCH
⊙	FLW METER
⊙	BLM VALVE

Drawn By: J.C. FAUGHT

File Name: h:\site\autosket\owens.skd

Production Facility Drawing
 Owens Well No. 1A Battery
 NE/SW Unit Letter K, Sec. 7, T-31N, R-12W
 La Plata Field, NM
 Lease No. SF078243
 July 24, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

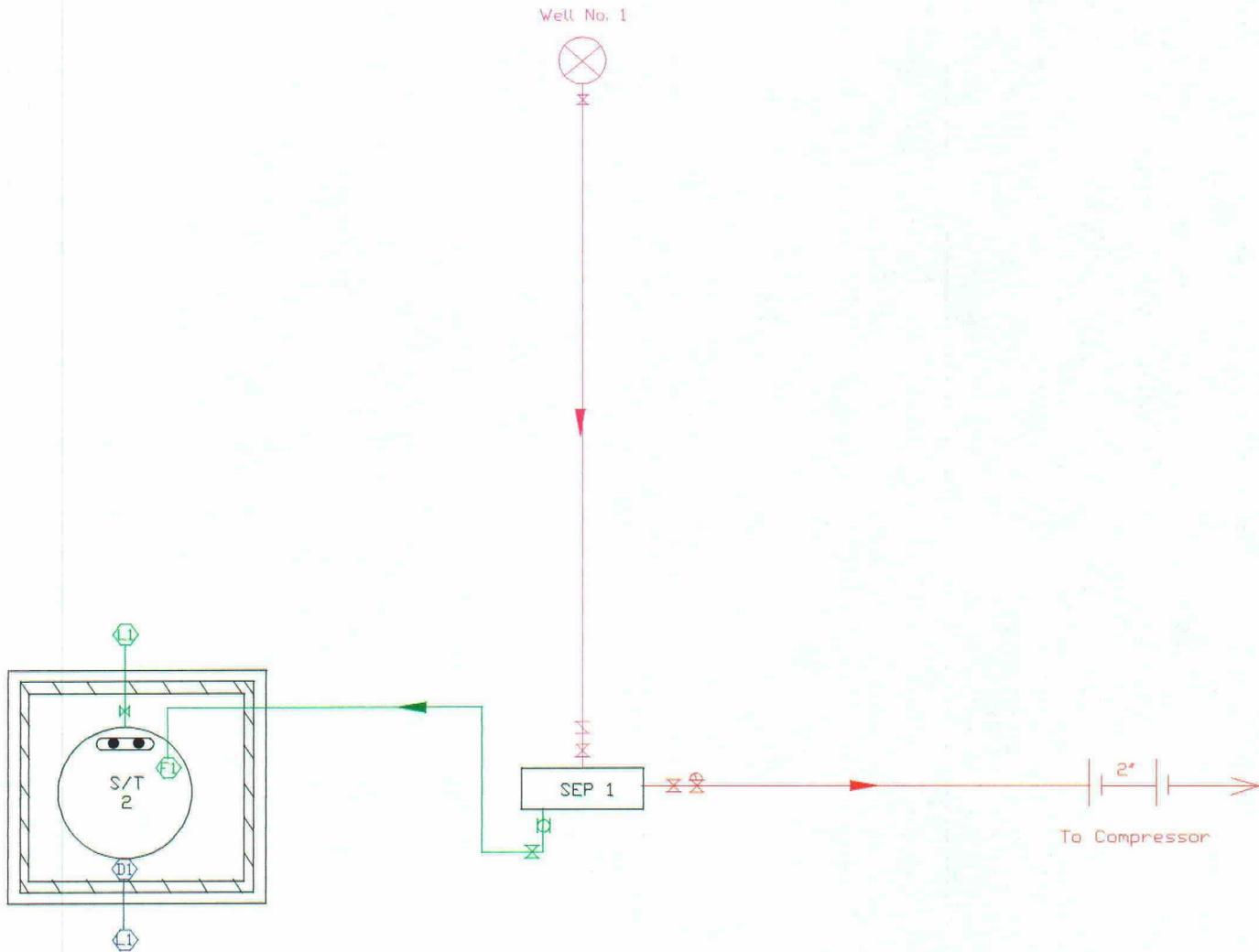
Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

Drawn By: J.C. FAUGHT

File Name: hi\site\autosket\owens1A.skd

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

Production Facility Drawing
 Stagecoach Well No. 1 Battery
 SW/SW Unit Letter M, Sec. 7, T-31N, R-12W
 La Plata Field, NM
 Lease No. SF078243
 July 24, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

-	GAS
-	WATER
-	OIL
-	EMULSION
⊗	PLUG VALVE
⊗	CONTROL VALVE
⊠	DUMP VALVE
∇	CHECK VALVE
•	SEALED
••	LOCKED
⊏	HATCH
⊕	FLOW METER
⊙	BLM VALVE

Drawn By: J.C. FAUGHT

File Name: h:\site\autosket\stgcoach.skd

Houston Division
Production Operations, United States



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

July 28, 2000

Thomas Kaufmann
39 Princeton Ave.
Princeton, NJ 08540

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

**Owens Well No. 1
990' FWL & 990' FSL
Section 7
T-31-N, R-12-W
Blanco Mesa Verde
San Juan County, NM**

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1980' FWL & 1975' FSL
Section 7
T-31-N, R-12-W
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San Juan County, NM**

**Stagecoach Well No. 1
1200' FWL & 1287' FSL
Section 7
T-31-N, R-12-W
Basin Fruitland Coal
San Juan County, NM**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division and the BLM to surface commingling production in the above referenced wells. Please find enclosed a copy of the application as outlined in Rule 303-A.

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

Sincerely,

Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 2000

by _____, as representative of



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

July 28, 2000

Marjorie A. Bachman Est.
c/o Richard & James Bachman, Executors
260 Nelson Road
Scarsdale, NY 10583

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

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Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 2000

by _____, as representative of



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

July 28, 2000

Susan K. Baker
40 E. 88th Street
New York, NY 10128

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

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Production Engineer

TPK/
Enclosure

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by _____, as representative of



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

July 28, 2000

Richard S. Becker
44 Graham Road
Scarsdale, NY 10583

RE: **Request for Exception to
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Application for Pool Commingling**

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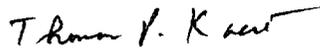
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Thomas P. Kacir
Production Engineer

TPK/
Enclosure

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by _____, as representative of



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

July 28, 2000

Sanford E. Becker
1430 Broadway, 6th Floor
New York, NY 10018

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

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Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 2000

by _____, as representative of



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

July 28, 2000

Greystone Energy Inc.
9156 E. Nichols Ave., Suite 350
Englewood, CO 80112

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

**Owens Well No. 1
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Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 2000

by _____, as representative of



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

July 28, 2000

John V. Guttag
273 Emerson Road
Lexington, MA 02713

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

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990' FWL & 990' FSL
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T-31-N, R-12-W
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Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 2000

by _____, as representative of _____



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

July 28, 2000

Arthur Alsberg
3816 Longridge Ave.
Sherman Oaks, CA 91423

RE: **Request for Exception to
Rule 303-A
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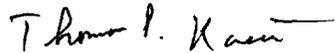
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Thomas P. Kacir
Production Engineer

TPK/
Enclosure

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P.O. Box 2490
Hobbs, New Mexico 88240
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1430 Broadway, 6th Floor
New York, NY 10018

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Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this 31ST day of JULY 2000

by *Michael P. Beck*, as representative of _____



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

July 28, 2000

Greystone Energy Inc.
9156 E. Nichols Ave., Suite 350
Englewood, CO 80112

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Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this 3RD day of AUGUST 2000
by Thomas E. [Signature], as representative of
GREYSTONE ENERGY, INC.



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

July 28, 2000

Susan K. Baker
40 E. 88th Street
New York, NY 10128

RE: **Request for Exception to
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Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of August 2000

by Susan K. Baker, as representative of _____



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

July 28, 2000

Thomas Kaufmann
39 Princeton Ave.
Princeton, NJ 08540

RE: **Request for Exception to
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San Juan County, NM**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division and the BLM to surface commingling production in the above referenced wells. Please find enclosed a copy of the application as outlined in Rule 303-A.

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

Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this 7th day of August 2000
by Thomas P. Kaufmann, as representative of



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

July 28, 2000

Richard S. Becker
44 Graham Road
Scarsdale, NY 10583

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

**Owens Well No. 1
990' FWL & 990' FSL
Section 7
T-31-N, R-12-W
Blanco Mesa Verde
San Juan County, NM**

**Owens Well No. 1A
1980' FWL & 1975' FSL
Section 7
T-31-N, R-12-W
Blanco Mesa Verde
San Juan County, NM**

**Stagecoach Well No. 1
1200' FWL & 1287' FSL
Section 7
T-31-N, R-12-W
Basin Fruitland Coal
San Juan County, NM**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division and the BLM to surface commingling production in the above referenced wells. Please find enclosed a copy of the application as outlined in Rule 303-A.

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

Sincerely,

Handwritten signature of Thomas P. Kacir in cursive.

Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this 3 day of AUGUST 2000

by Richard S. Becker, as representative of