



P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

March 6, 1992

State of New Mexico
Oil Conservation Division
P.O. Box 2083
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. Lemay, Director

RE: Application for Lease Production Commingling
Johnson "A" Federal Lease, NW/4 and SE/4 of
Section 10, T-18-S, R-31-E
Eddy County, New Mexico

Johnson "B" Federal A/C 1 Lease, NW/4, E/2 SW/4 and W/2 SE/4 of
Section 11, T-18-S, R-31-E
Eddy County, New Mexico

Johnson "B" Federal A/C 2 Lease, NW/4 and SW/4
Section 15, T-18-S, R-31-E
Eddy County, New Mexico

Dear Mr. Lemay,

Marathon Oil Company respectfully requests that the State of New Mexico Oil Conservation Division grant administrative approval for surface production commingling in the above referenced leases. Approval of this request would allow Marathon Oil Company to produce Well No. 4 in the Johnson "A" Federal Lease and Well No. 2 in the Johnson "B" Federal A/C 2 Lease to a Common Stock Tank Battery located at Well No. 2 in the Johnson "B" Federal A/C 1 Lease.

The production for all wells would be from the Grayburg Sand Pool in which Marathon has a 100% interest to depth of 5,500'. Attached, please find a lease commingling plat, production facility schematic, names and addresses of interest owners for both the above referenced leases. Should you require additional information concerning this request, please feel free to contact me at (505) 393-7106. Your cooperation in this matter is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads 'S. P. Guidry'.

S. P. Guidry
Operations Superintendent

Enclosure

SPG/RDG/021.274/sk

JOHNSON "A" FEDERAL LEASE - (320 ACRES)

INTEREST OWNERS
NAMES AND ADDRESSES
FEDERAL LEASE NO. LC-029388-C

INTEREST OWNERS

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Net Working Interest: 100.00%
Net Revenue Interest: 87.5%

U. S. Department of the Interior
Bureau of Land Management
Carlsbad Resource Area
P. O. Box 1778
Carlsbad, New Mexico 88240

Net Working Interest: 0%
Net Revenue Interest: 12.5%

JOHNSON "B" FEDERAL A/C 1 LEASE - (320 ACRES)

INTEREST OWNERS
NAMES AND ADDRESSES
FEDERAL LEASE NO. LC-029388-D

INTEREST OWNERS

Marathon Oil Company	Net Working Interest:	100.00%
P. O. Box 552	Net Revenue Interest:	87.5%
Midland, Texas 79702		

U. S. Department of the Interior		
Bureau of Land Management	Net Working Interest:	0%
Carlsbad Resource Area	Net Revenue Interest:	12.5%
P. O. Box 1778		
Carlsbad, New Mexico 88240		

JOHNSON "B" FEDERAL A/C 2 LEASE - (320 ACRES)

INTEREST OWNERS
NAMES AND ADDRESSES
FEDERAL LEASE NO. LC-029388-D

INTEREST OWNERS

Marathon Oil Company	Net Working Interest:	100.00%
P. O. Box 552	Net Revenue Interest:	87.5%
Midland, Texas 79702		

U. S. Department of the Interior		
Bureau of Land Management	Net Working Interest:	0%
Carlsbad Resource Area	Net Revenue Interest:	12.5%
P. O. Box 1778		
Carlsbad, New Mexico 88240		

MARATHON OIL COMPANY

WELLS IN LEASE COMMINGLING

Johnson "A" Federal Well No. 4
1,980' FSL and 660' FEL
Section 10, T-18-S, R-31-E
Eddy County, New Mexico

Grayburg Sand Producer
Perf'd: 3,900'-4,050'

Johnson "B" Federal A/C 1 Well No. 2
1,980' FNL and 660' FWL
Section 11, T-18-S, R-31-E
Eddy County, New Mexico

Grayburg Sand Producer
Perf'd: 4,021'-4,186'

Johnson "B" Federal A/C 1 Well No. 11
2,060' FWL and 2,310' FNL
Section 11, T-18-S, R-31-E
Eddy County, New Mexico

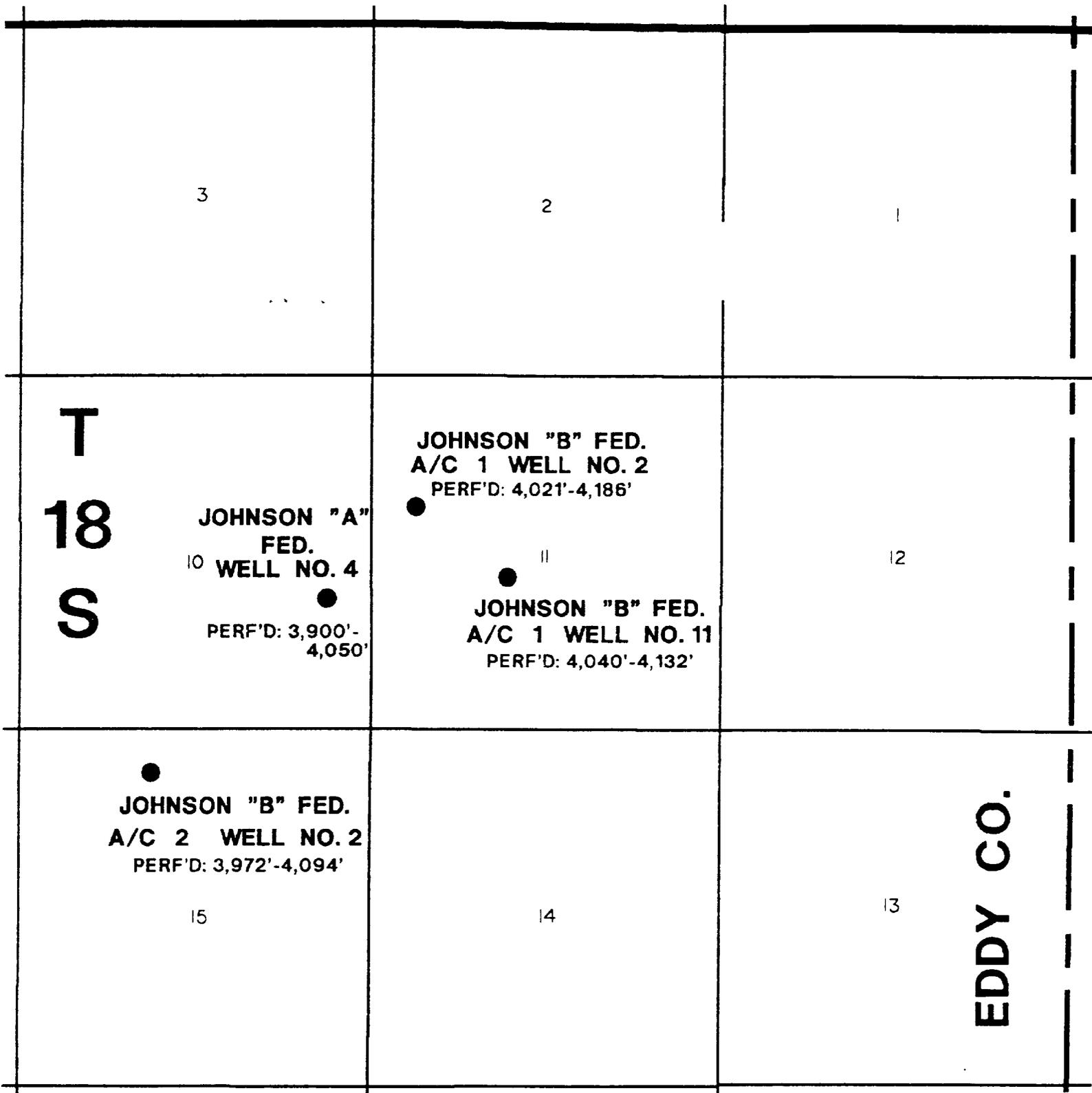
Grayburg Sand Producer
Perf'd: 4,040'-4,132'

Johnson "B" Federal A/C 2 Well No. 2
660' FNL and 1,980' FWL
Section 15, T-18-S, R-31-E
Eddy County, New Mexico

Grayburg Sand Producer
Perf'd: 3,972'-4,094'

NOTE: Perforations are at various depths between the indicated upper and lower perforation intervals.

R 31 E

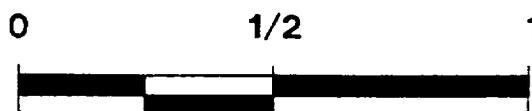


NOTE: PERFORATIONS ARE AT VARIOUS DEPTHS BETWEEN THE INDICATED UPPER AND LOWER PERFORATION INTERVALS

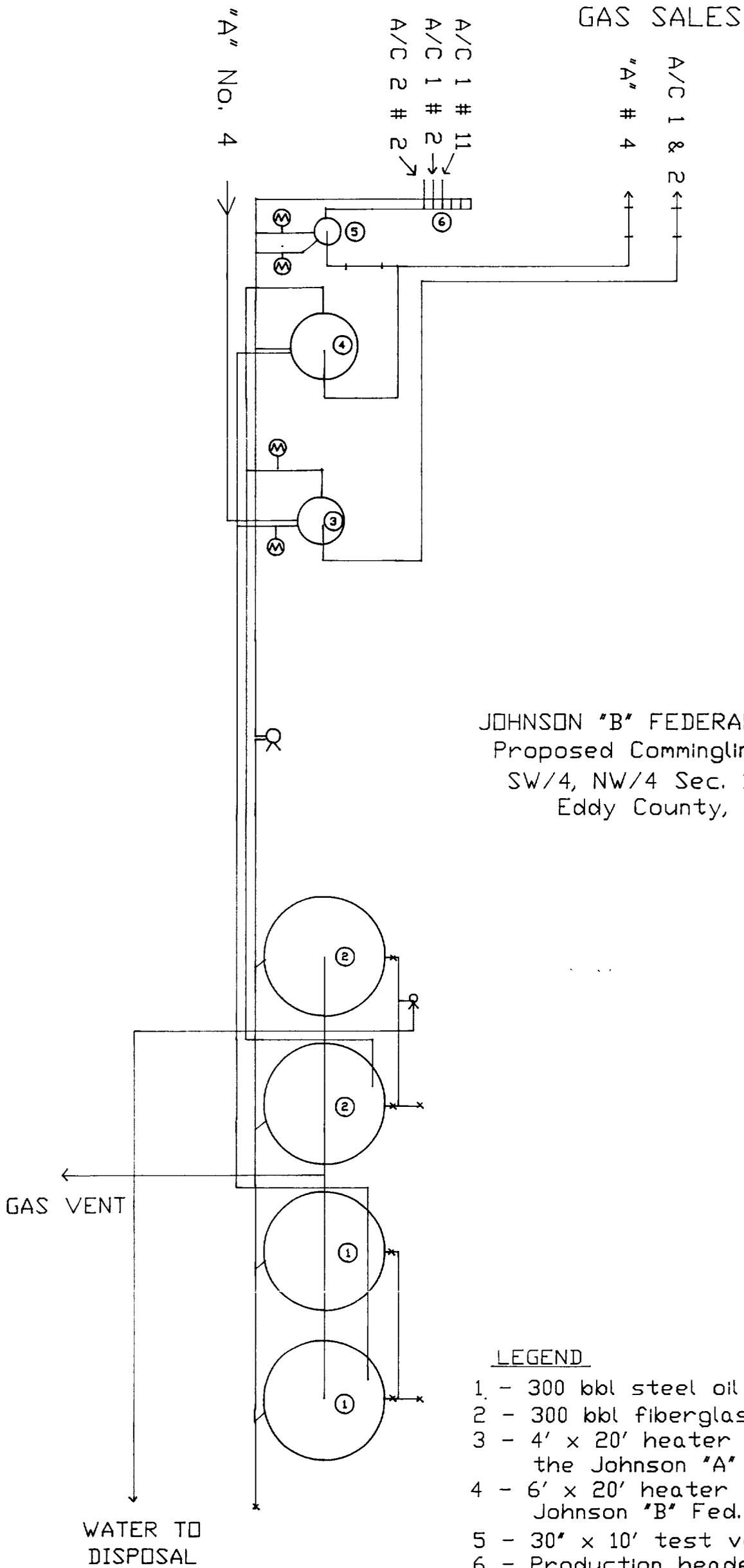
**MARATHON OIL COMPANY
MID-CONTINENT REGION**

**SHUGART
EDDY COUNTY, NEW MEXICO**

**WELLS IN LEASE COMMINGLING
(GRAYBURG SAND PRODUCERS)**



MILE



LEGEND

- 1. - 300 bbl steel oil tank
- 2. - 300 bbl fiberglass water tank
- 3. - 4' x 20' heater treater for the Johnson "A" Fed. Lse
- 4. - 6' x 20' heater treater for the Johnson "B" Fed. A/C's 1 & 2
- 5. - 30" x 10' test vessel
- 6. - Production header