

OIL CONSERVATION DIVISION
RECEIVED

Mid-Continent Region
Production United States



**Marathon
Oil Company**

'92 MAR 30 AM 9 18

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

March 25, 1992

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: William J. Lemay

Re: Commingling Order CTB-363
Johnson "A" and "B" Federal Leases
Shurgart North Field
Eddy County, New Mexico

Dear Mr. Lemay:

Marathon Oil Company recently requested and received authorization to surface commingle the following leases: Johnson "A" Federal, Johnson "B" Federal A/C 1 and the Johnson "B" Federal A/C 2. During the process of submitting the paperwork to the BLM, it was discovered that the Johnson "B" Federal A/C 1 and A/C 2 leases were actually the same lease. Your office was not notified in time to change the request prior to the granting the commingling order. We apologize for this inconvenience and request that the Commingling Order CTB-363 be modified to account for the changes mentioned.

If you have any questions or have need of additional data, please contact me at (915) 687-8326. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Rick Gaddis'.

Rick Gaddis
Production Engineer
Mid-Continent Region

RDG/0292/nrt

Attachments



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

April 15, 1992

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

RECEIVED
APR 1 1992
OIL CONSERVATION DIVISION

Attention: Mr. William J. Lemay, Director

Re: Request to Amend and Correct Commingling Order CTB-363
Johnson "A" and "B" Federal Leases
Shugart, North Field
Eddy County, New Mexico

Dear Mr. Lemay:

Marathon Oil Company requests that the commingling Order CTB-363 be amended and corrected as follow:

- 1) Add the Johnson "B" Federal A/C 1 No. 12 - This well has been recently drilled and will be completed shortly.
- 2) Add the Johnson "B" Federal A/C 2 No. 1 - Marathon desires to abandon the existing tank battery at the No. 1 and tie the well into the commingled battery.
- 3) Correct Marathon's NRI on the Johnson "A" Federal Lease to 80%.

Attached please find associated tables reflecting the corrected data.

If you have need of additional data or have any questions, please contact me at (915) 682-1626. Your cooperation in this matter is greatly appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read 'R. D. Gaddis'.

R. D. Gaddis
Production Engineer

Attachments

cc: file

JOHNSON "A" FEDERAL LEASE - (320 ACRES)

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

INTEREST OWNERS

| | | |
|----------------------|-----------------------|---------|
| Marathon Oil Company | Net Working Interest: | 100.00% |
| P. O. Box 552 | Net Revenue Interest: | 80.0% |
| 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 | | |

| | | |
|-----------------------------|-----------------------|-----------|
| S. P. Johnson, III, and | | |
| Patricia J. Cooper, Trustee | | |
| U/W S. P. Johnson, Jr. | Net Working Interest: | 0% |
| P. O. Box 1713 | Net Revenue Interest: | 2.125000% |
| Roswell, NM 88201 | | |

| | | |
|---------------------------------|-----------------------|-----------|
| S. P. Johnson, III and | | |
| Barbara Jo Johnson, Trustees of | Net Working Interest: | 0% |
| S. P. Johnson, III and | Net Revenue Interest: | 1.062500% |
| Barbara Jo Johnson Trust | | |
| U/A dated 1/24/84 | | |
| P. O. Box 1641 | | |
| Roswell, NM 88202 | | |

| | | |
|--------------------------------|-----------------------|-----------|
| Patricia J. Cooper, Trustee of | | |
| the PJC Revocable Trust | Net Working Interest: | 0% |
| U/A dated 12/30/89 | Net Revenue Interest: | 1.062500% |
| 1409 South Sunset | | |
| Roswell, NM 88201 | | |

| | | |
|-----------------------------|-----------------------|-----------|
| Laura B. Lodewick, Estate - | Net Working Interest: | 0% |
| John W. Lodewick, Per Rep. | Net Revenue Interest: | 0.625000% |
| P. O. Box 1180 | | |
| Roswell, NM 88202-1180 | | |

Spindletop Exploration Co.
P. O. Box 25504
Dallas, TX 75225-5504

Net Working Interest: 0%
Net Revenue Interest: 0.500000%

Margaret Baish Master
47 Oakwood Dr.
Wormleysburg, PA 17043

Net Working Interest: 0%
Net Revenue Interest: 0.400000%

NCNB TX. Nat'l Bank and
C. R. Mallison,
Trustees of the Selma E. Andrews
Trust dated 5/8/69
P. O. Box 842029
Dallas, TX 75284-2029

Net Working Interest: 0%
Net Revenue Interest: 0.268525%

Margaret Jane Johnston/Mary Ellen
Johnston, Per Rep.
2715 N. Kentucky Ave, #16
Roswell, NM 88201

Net Working Interest: 0%
Net Revenue Interest: 0.250000%

San Diego Trust and
Savings Bank Trustee
U/A dated 5/26/85 for
Ralph A. Shugart
P. O. Box 8529
La Jolla, CA 92028

Net Working Interest: 0%
Net Revenue Interest: 0.250000%

Braille Institute of America
NCNB Texas C/O Trust Oil & Gas
P. O. Box 842029
Dallas, Texas 75284-2029

Net Working Interest: 0%
Net Revenue Interest: 0.231475%

Laura Patricia Lodewick Estate
John W. Lodewick, Per Rep.
P. O. Box 1180
Roswell, NM 88202-1180

Net Working Interest: 0%
Net Revenue Interest: 0.208333%

John Widney Lodewick, ESQ.
3305 Wentwood
Dallas, TX 75225

Net Working Interest: 0%
Net Revenue Interest: 0.208333%

Richard B. Lodewick
2100 W. Wadley #21
Midland, TX 79701

Net Working Interest: 0%
Net Revenue Interest: 0.125000%

Lodewick Energy, Inc.
5927 Morningside
Dallas, TX 75206

Net Working Interest: 0%
Net Revenue Interest: 0.083333%

Betty Baish Strohmeier
5362 E. Rosewood
Tucson, AZ 85711

Net Working Interest: 0%
Net Revenue Interest: 0.050000%

Mary Elizabeth Baish
102 Logan Ave.
Altoona, PA 16602

Net Working Interest: 0%
Net Revenue Interest: 0.016666%

Karen Elizabeth Charles
110 Hudson Ave
Altoona, PA 16602

Net Working Interest: 0%
Net Revenue Interest: 0.016666%

Katherine Mary Scott
809 Sheridan St.
Altoona, PA 16602

Net Working Interest: 0%
Net Revenue Interest: 0.016666%

JOHNSON "B" FEDERAL A/C 1 AND A/C 2 LEASES - (480 ACRES TOTAL)

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 1 Well No. 12
2,310' FNL and 1,988' FWL
Section 11, T-18-S, R-31-E
Eddy County, New Mexico
Grayburg Sand Producer
Proposed Perfs: 4,010' -4,198'

Johnson "B" Federal A/C 2 No. 1
660' FNL and 660' FWL
Section 15, T-18-S, R-31-E
Eddy County, New Mexico
Grayburg Sand Producer
Perf'd: 3,940' -4,065'

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.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 13, 1992

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

Attention: R. D. Gaddis

Dear Mr. Gaddis:

Reference is made to your recent request to amend Division Order No. CTB-363, which order authorized Marathon to commingle Shugart Yates Seven Rivers Queen Grayburg Pool production from the Johnson "A" and Johnson "B" Federal leases in portions of Sections 10, 11 and 15, Township 18 South, Range 31 East, Eddy County, New Mexico. According to your initial application in this matter, it was our understanding that Marathon and the BLM were the only two interest owners in the subject leases. It is now our understanding that Marathon owns only an 80% net revenue interest in the Johnson "A" Federal lease, with the remaining interest owned by BLM and 18 additional parties. Rule No. 309 (B) of the Division Rules and Regulations requires that in order to obtain approval for lease commingling, all parties owning an interest in the leases have to be notified of the proposed commingling. Since Marathon initially did not notify such parties, I am requesting that such notification be done prior to the Division approving any amendments to the order.

Such notification to interest owners should described the complete commingling operation, including any amendments currently proposed. In addition, should Marathon fail to properly provide notice as per Rule 309 (B) within a reasonable time period, I will recommend to the Director that Division Order No. CTB-363 be canceled.

Please provide proof to the Division that notice was provided as described above in order that your permit may remain in effect and be amended as proposed.

If you should have any questions, please contact myself at (505) 827-5800.

Sincerely,


David Catanach
Engineer

xc: OCD-Artesia
File-CTB-363



**Marathon
Oil Company**

Mid-Continent Region
Production United States

OIL CONSERVATION DIVISION

'92 JUN 17 AM 9 00

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

June 10, 1992

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: David Catanach

Re: Division Order No. CTB-363

Dear Mr. Catanach:

Upon receipt of your letter dated May 13, 1992, the overriding revenue interest owners were mailed (certified mail) a notice of Marathon's intent to surface commingle production on the Johnson "A" Federal, Johnson "B" Federal A/C 1 and A/C 2 Leases (letter attached). Enclosed please find the receipts for certified mail and the return cards as proof of notification. Of the eighteen ORRI owners, one return card has not been received as delivered or as non-deliverable. An attempt was made to contact Lodewick Energy, Inc. by phone with no results.

If you have any questions or have need of additional data, please contact me at (915) 687-8326.

Sincerely,

A handwritten signature in cursive script, appearing to read 'R. D. Gaddis'.

R. D. Gaddis
Production Engineer

RDG/4792/lr

Attachments