

DATE <u>11/14/01</u>	SUSPENSE <u>N/R</u>	ENGINEER <u>DC</u>	LOGGED IN <u>KW</u>	TYPE <u>PC</u>	APP NO <u>0131856970</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

NOV 14 2001

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Thomas P. Kacir
Print or Type Name

Thomas P. Kacir
Signature

Production Engineer
Title

11-7-01
Date

TPKacir@MarathonOil.com
e-mail Address

Southern U.S. Business Unit
Domestic Production



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

November 7, 2001

Mr. Mark Ashley
Energy, Minerals & Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: **Request for Exception to Rule 303-A**
Application for Surface Commingling
Amend PC-976

W. H. Laughlin Battery
Unit Letter E, 2310' FNL & 940' FWL
Section 9, T-20-S, R-37-E
Abo & Tubb
Lea County, New Mexico

W. H. Laughlin Well No. 5
API No. 30-025-32380
Unit Letter H, 1980' FNL & 710' FEL
Section 9, T-20-S, R-37-E
Eumont Gas (pool code # 76480)
Lea County, New Mexico

W. H. Laughlin Well No. 7
API No. 30-025-33141
Unit Letter E, 2310' FNL & 940' FWL
Section 9, T-20-S, R-37-E
Monument Tubb (pool code # 47090)
Lea County, New Mexico

W. H. Laughlin Well No. 3
API No. 30-025-06036
Unit Letter G, 1980' FNL & 1980' FEL
Section 9, T-20-S, R-37-E
Eumont Gas (pool code # 76480)
Lea County, New Mexico

W. H. Laughlin Well No. 6
API No. 30-025-32465
Unit Letter F, 1980' FNL & 2250' FWL
Section 9, T-20-S, R-37-E
Eumont Gas (pool code # 76480)
Lea County, New Mexico

W. H. Laughlin Well No. 8
API No. 30-025-34341
Unit Letter F, 1760' FNL & 1750' FWL
Section 9, T-20-S, R-37-E
S.E. Monument Abo (pool code # 96764)
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 pools. A work-over to added extra Eumont perforations and stimulated on the W.H. Laughlin Well No. 6 was recently completed. We are currently installing rod pump equipment. Early swab test on W.H. Laughlin Well No. 6 shows it to produce some oil.

Marathon Oil Company has a 100% Working Interest in the above mentioned lease and all Royalty Interest Owners are identical in the three pools. The interest owners are being notified by certified mail. Marathon Oil Company proposes to utilize the W. H. Laughlin storage and sales facility currently utilized for the Abo

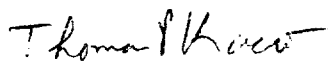
and Tubb production (PC-976 in 1998) from W.H. Laughlin Well No. 7 and 8. Since the wells/pools are marginal, the production will be determined from periodic well test. The proposed production operation is in accordance with the applicable provisions.

This lease was originally given a 160 acre gas proration unit for the Eumont in 1954 (R-527 & R-527-A). In 1994, two wells (W.H. Laughlin Well No. 3 and 4) were added to the Eumont gas pool and simultaneously dedicated (SD-94-2 & SD-94-2.1). This year we have received a non-standard location and to simultaneously dedicated W.H. Laughlin Well No. 7 to the Eumont gas pool (NSL-4653 (SD)). The work to convert the W.H. Laughlin Well No. 7 from the Tubb to the Eumont will commence next year.

Please find attached a lease plat and a production facility schematics. Earlier this year the oil purchasers changed the sulfur content break between sweet and sour oil from 0.50% to 0.40%. The Abo and Tubb oil produced at the battery (10 BOPD) has a sulfur content of 0.43% with a 37 API gravity and is now consider to be sour oil. Oil produced from the Eumont (5 BOPD) has a sulfur content of 0.63% with a 38 API gravity and is consider to be sour. The commingled oil production is anticipated to be valued at WTS crude price. Therefore, there will not be any loss in value of the commingled production.

If additional information is necessary, please contact me at (915) 687-8450.

Sincerely,



Thomas P. Kacir
Production Engineer

INTEREST OWNERS
W. H. Laughlin Lease
S/2 of NW/4 & S/2 of NE/4
in Section 9, T-20-S, R-37-E
Lea County, New Mexico
Monument Field

Section 9, T-20-S, R-37-E

W. H. Laughlin
P.O. Box 91084
White Mountain Lake, AZ 85912-1084

Margaret E. Willey
P.O. Box 912
Coolidge, AZ 85228-0912

Dorothy Higginbotham
P.O. Box 1207
Coolidge, AZ 85228-1207

Elsie Reeves
P.O. Box 90706
White Mountain Lake, AZ 85912-0706

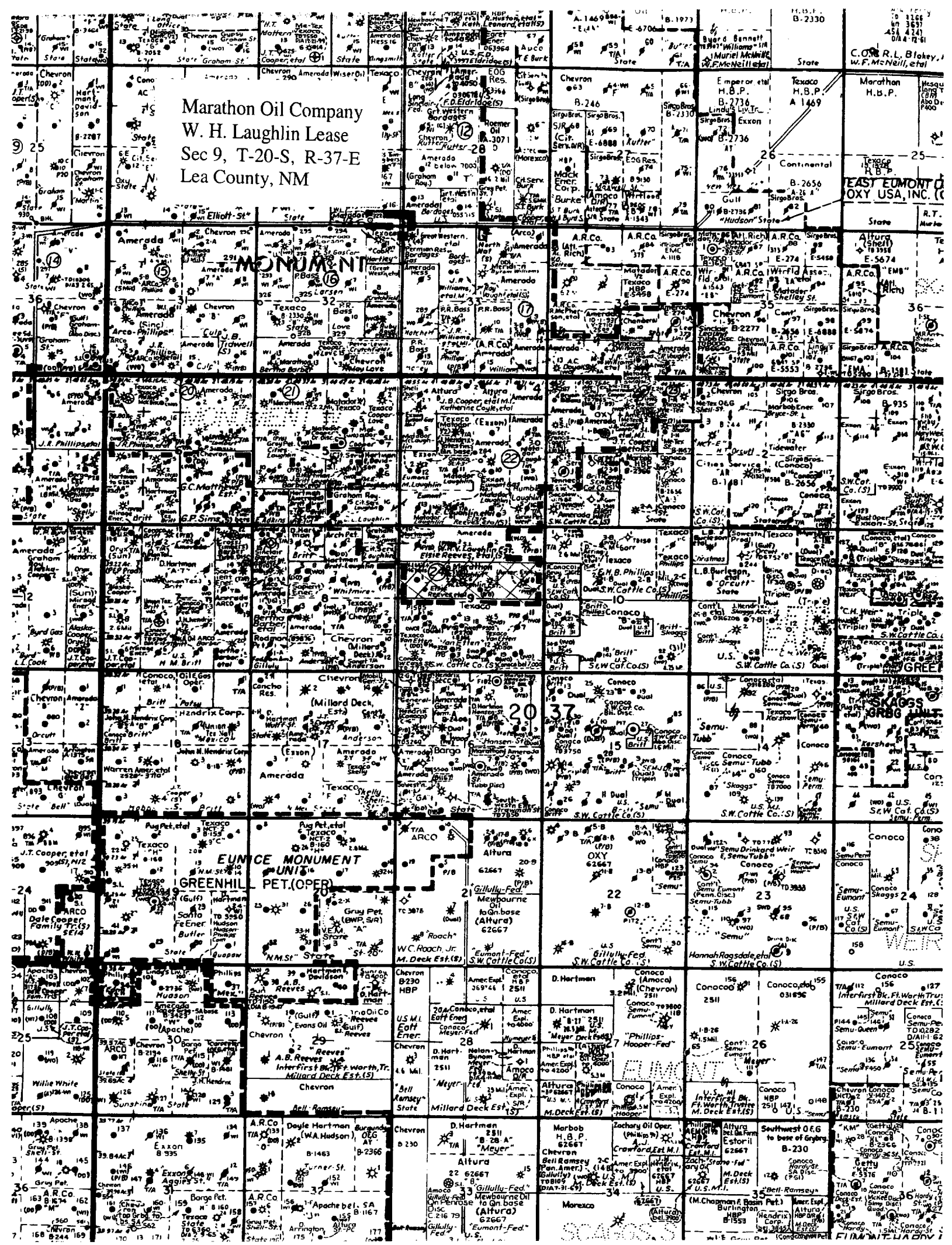
Mary Bowden & Hugh V. Bowden
P.O. Box 212
Bellevue, Texas 76228-0212

Ron Laughlin
P.O. Box 164
Angel Fire, NM 87710-0164

Geneva Laughlin
4139 E. Laughlin RD
Casa Grande, AZ 85222-8503

James D. Laughlin Rev. Tr.
Wanda L. Laughlin Rev. Tr.
7216 Wren Dr.
Prescott Valley, AZ 86314-5348

Marathon Oil Company
W. H. Laughlin Lease
Sec 9, T-20-S, R-37-E
Lea County, NM



District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Abo, Tubb, Eumont	
⁴ Property Code		⁵ Property Name W.H. Laughlin			⁶ Well Number 3,5,6,7,8
⁷ OGRID No.		⁸ Operator Name Marathon Oil Company			⁹ Elevation

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

¹¹ Bottom Hole Location If Different From Surface

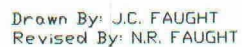
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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

					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Thomas P. Kacir</i> Signature Thomas P. Kacir Printed Name Production Engineer Title <i>11-8-01</i> Date	
					SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor:	
					Certificate Number John W. West 676 Ronald J. Eidson 3239 Gary L. Jones 7977	

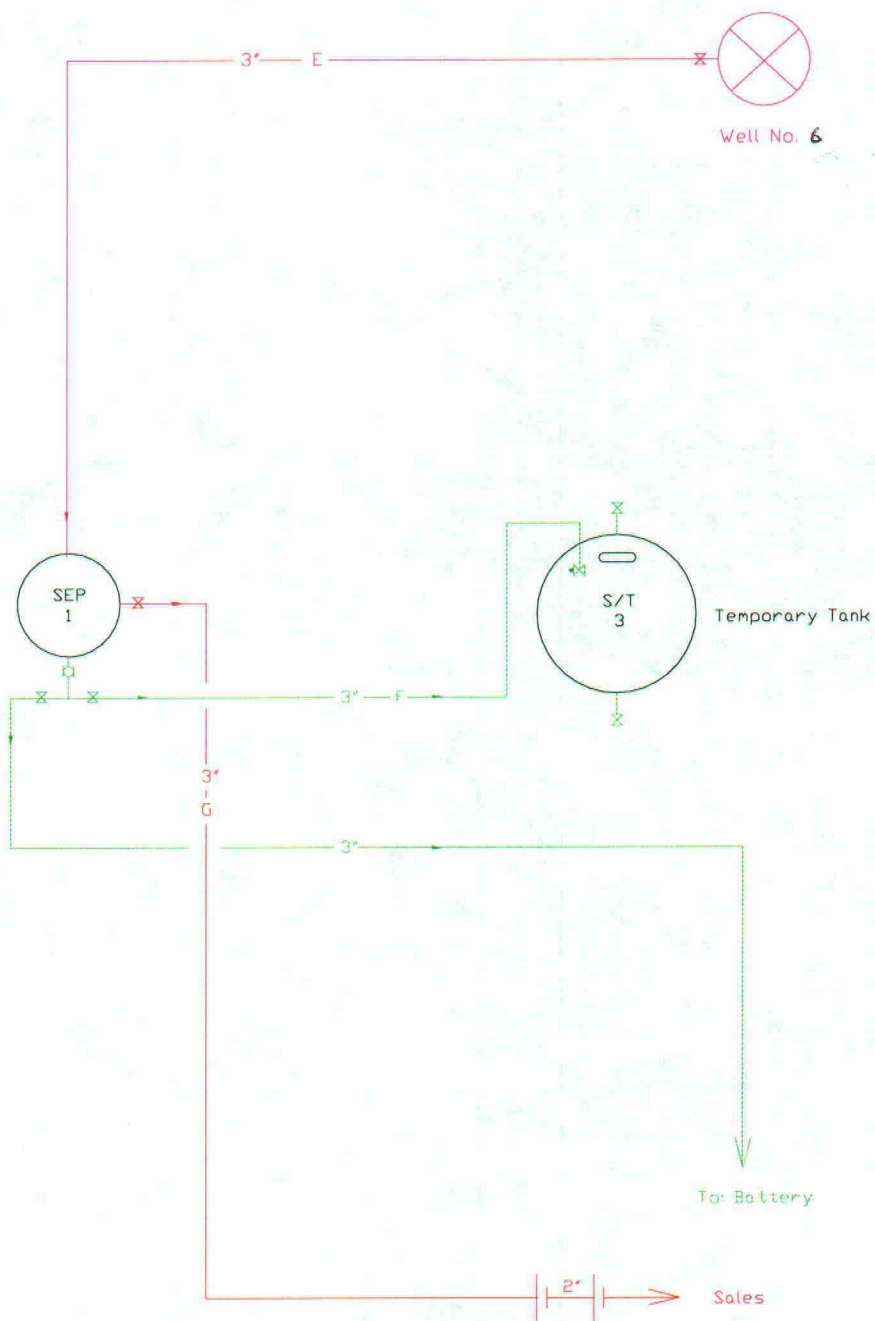
July 3, 2001



Production Facility Drawing
W. H. Laughlin Well No. 6
Monument Field, NM

Oct 23, 2001

← N →



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

COPY



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

November 7, 2001

Mary Bowden & Hugh V. Bowden
P.O. Box 212
Bellevue, Texas 76228-0212

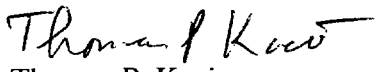
RE: **Request for Exception to Rule 303-A**
Application for Surface Commingling
W. H. Laughlin Lease
Section 9, T-20-S, R-37-E
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to surface commingling production permitted in the above referenced lease. 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 in the enclosed addressed envelope. 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 _____ 2001

by _____, as representative of
