



MARATHON OIL COMPANY
FORMERLY THE OHIO OIL COMPANY

June 13, 1963

P. O. Box 2107
Hobbs, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
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 of production from the two common sources of supply, as described herein, on its State Warn A/c 3 Lease. These two zones are designated as the Vacuum (Grayburg-San Andres) and the Vacuum Yates. The Vacuum zone consists of three top allowable wells and the Vacuum Yates consists of one well with an allowable of 6 BOPD. Therefore, the subtraction method of commingling was proposed for this installation.

Attached hereto is a data sheet relating to gravities, volumes, and values of the liquid hydrocarbons along with a plat of the State Warn A/c 3 Lease and a schematic diagram of the proposed installation. 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 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:bje

cc: State Land Commissioner
P. O. Box 791
Santa Fe, New Mexico

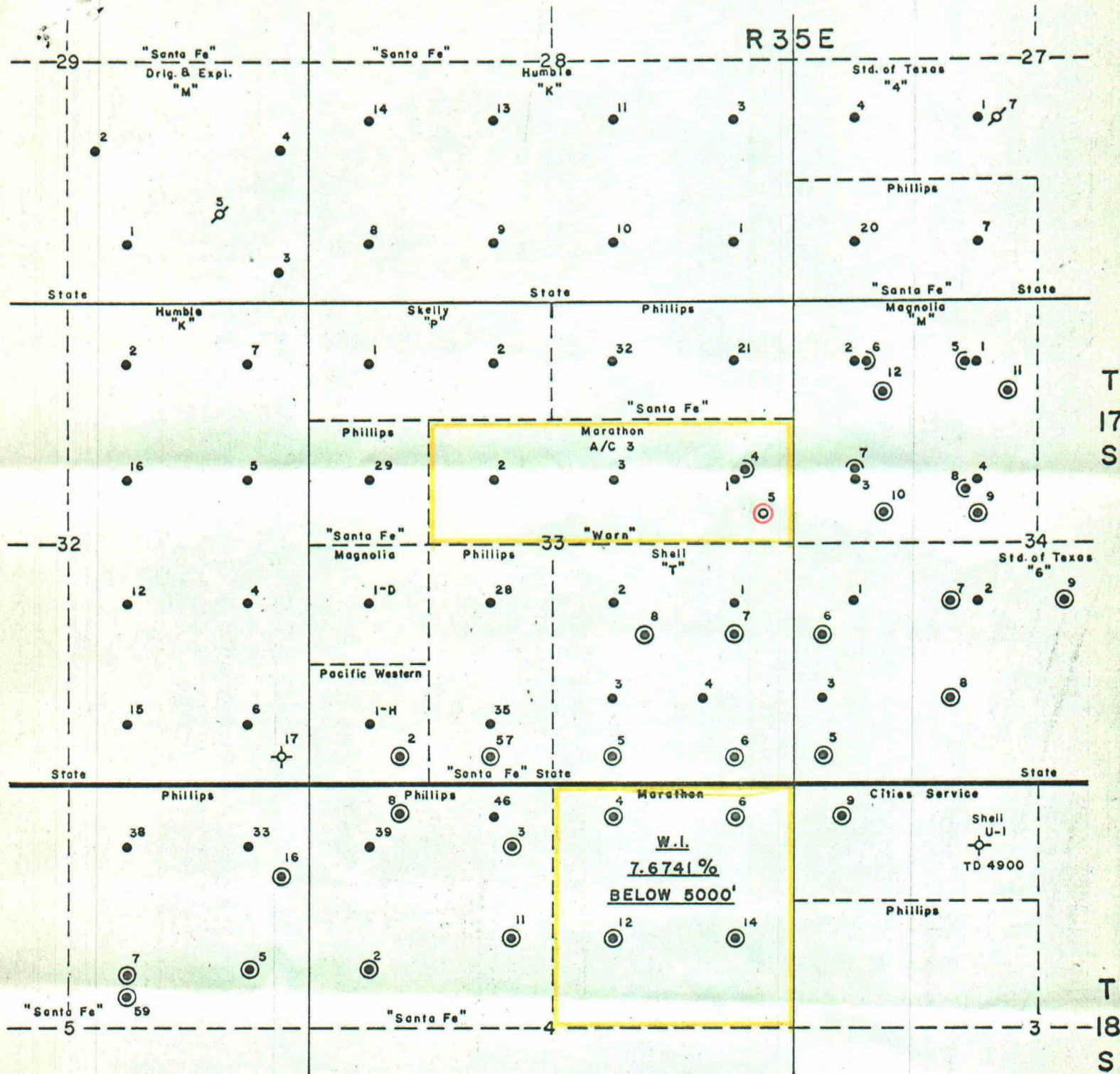
Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

MARATHON OIL COMPANY
STATE WARN A/C 3 LEASE
SECTION 33-T.17S,R.35E

COMMINGLING DATA

Zone	Allow. BOPD	Gravities ° API	Selling Price* Per Bbl. (\$)	Income Per Day (\$)
San Andres	111	37.9	2.86	317.46
Yates	6	33.0	2.74	<u>16.44</u>
Total value sold separately - - - - -				333.90/Day
Commingled Values	117	37.6	2.86 - - - -	334.62/Day
Gain in value by commingling - - - - -				0.72/Day

* West Texas Sour



MARATHON OIL COMPANY

"Plat of St. Warn A/C 3 Lease"

Lea County, New Mexico

SCALE: 1" = 1500'

6-10-63

LEGEND

- VACUUM (GRAYBURG-SAN ANDRES)
- ⊙ VACUUM YATES
- ⊙ VACUUM ABO REEF
- ⊙ PROPOSED VACUUM ABO REEF
- DRILLING
- ⊕ TEMPORARILY ABANDONED
- ⊕ PLUGGED & ABANDONED

MARATHON OIL COMPANY

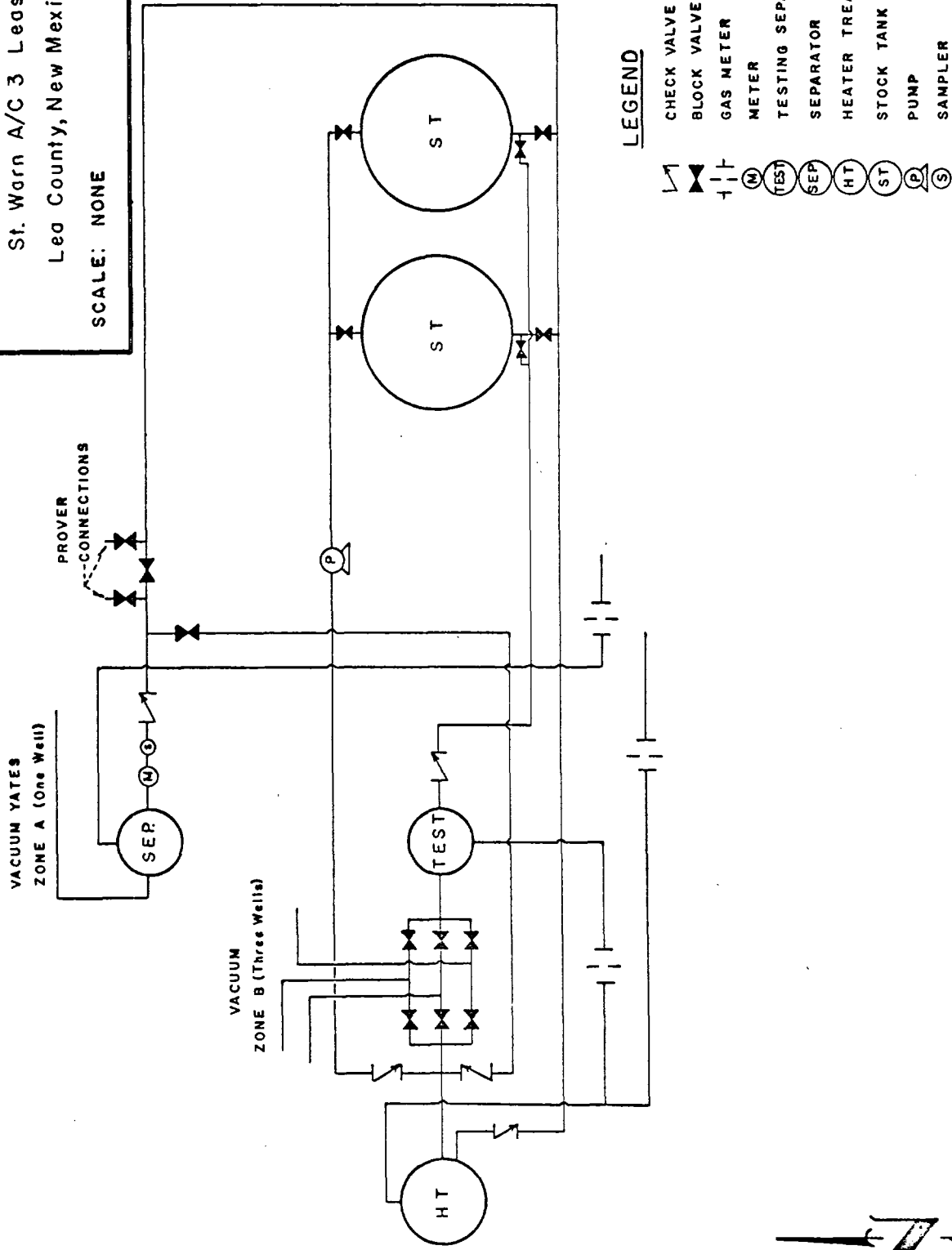
"Proposed Commingling Battery"

St. Warr A/C 3 Lease

Lea County, New Mexico

6-13-63

SCALE: NONE



100 JUN 14 1963

ILLEGIBLE

June 19, 1963

**Marathon Oil Company
P. O. Box 2107
Hobbs, New Mexico**

**Re: Request to commingle production from Vacuum
(Grayburg-San Andres) and Vacuum Yates, located in the S 1/4, SE 1/4 Sec. 23, Twp. 17S,
Rge. 35E, Lea County. (State Warn A/c 3 lease)**

Attn: John E. Barber, Area Petroleum Engineer

Gentlemen:

**This office grants approval to the above request since
ownership is Common throughout. This, of course, is
subject to approval by the Oil Conservation Commission.**

Thank you for your data sheet, plat and schematic diagram.

Very truly yours,

**E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS**

By:

**RONALD MARTINEZ
Oil and Gas Department**

EM/EM/pr

cc: Oil Conservation Commission

Oil and Gas Accounting Commission

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