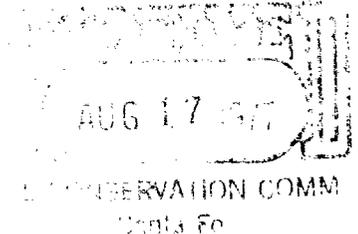




P.O. Box 2409  
Hobbs, New Mexico 88240  
Telephone 505/393-7106

August 15, 1977

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501



ATTENTION: Mr. Joe D. Ramey, Director

Re: On-Lease Commingling, Marathon Oil Company, Mark Owen Lease,  
Drinkard Field, Lea County, New Mexico

Gentlemen:

Marathon Oil Company respectfully requests administrative approval of an exception to Rule 303A of the Commission Rules and Regulations to permit the on-lease, surface commingling of the Wantz Abo and Wantz Granite Wash liquid hydrocarbons produced on Marathon's Mark Owen Lease. This lease is described as in the SW/4 of Section 35, Township 21-South, Range 37-East, Lea County, New Mexico.

The Granite Wash is now being commingled with Blinebry, Tubb, and Drinkard production as described in amended commingling Order PC-493. The Granite Wash will be commingled with Wantz Abo production once this application is approved.

Attached hereto is a plat showing the wells on the subject lease, the offset wells, and the pool(s) that each well on the subject lease is completed in. Also attached is a diagrammatic sketch of the proposed commingling facility showing it to be of an acceptable design in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities."

All the wells operated by Marathon on the subject lease are marginal producers. Shown below are the average daily production rates from each well.

<u>Pool</u>	<u>Well No.</u>	May	<u>API Gravity</u>
		<u>Daily Average Production Barrels/Day</u>	
Granite Wash	7	20	40.0
	8	44	40.3
Wantz Abo	4	16	39.0
	7	52	39.0
	8	7	43.9

New Mexico Oil Conservation Commission  
August 15, 1977  
Page 2

The Granite Wash oil will be commingled with the Wantz Abo oil instead of the condensate from the Blinebry, Tubb, and Drinkard zones. This commingling is not anticipated to result in any loss of income.

The ownership of the wells operated by Marathon on the subject lease, along with the royalty ownership, are common throughout.

To allocate production to the proper well and pool, Marathon proposes to monitor each completion's producing potential by periodic well tests.

Yours very truly,

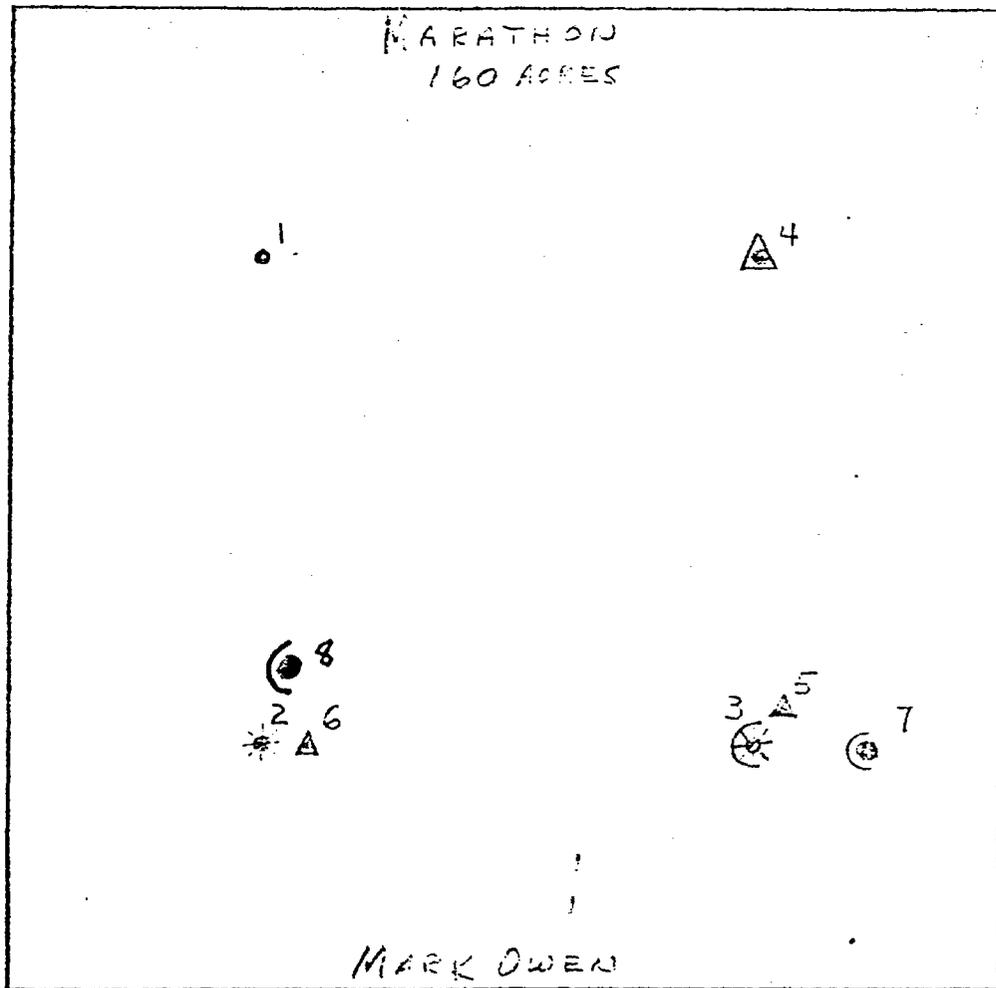
MARATHON OIL COMPANY

A handwritten signature in cursive script, reading "A. R. Kovacevich".

Anthony R. Kovacevich  
Production Engineer

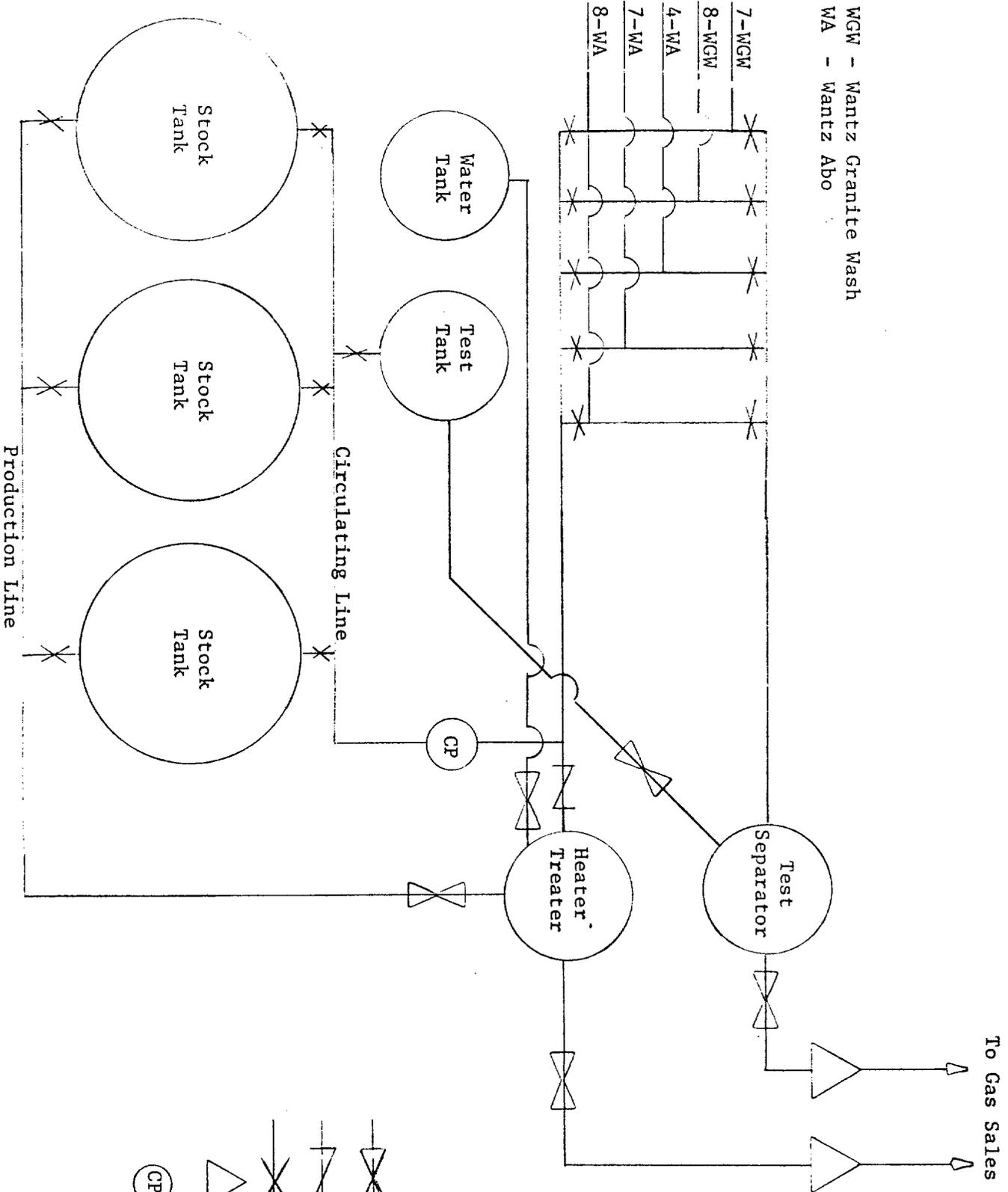
ARK:mfm  
Enclosure

MARATHON  
160 ACRES



- DRINKARD GAS WELL
- ▲ PADDOCK OIL WELL
- ⊛ DRINKARD GAS - BLINERRY GAS DUAL
- ⊗ DRINKARD GAS - TUBE GAS DUAL
- ⊙ GRANITE WASH OIL - WANTZ ABO OIL
- △ WANTZ ABO OIL - DRINKARD GAS

WGW - Wantz Granite Wash  
 WA - Wantz Abo



-  Dump or Back-Pressure Valve
-  Check Valve
-  Block Valve
-  Gas Meter Run
-  Circulating Pump

MARATHON OIL COMPANY  
 Schematics Diagram of Pr  
 Wantz Granite Wash/Wantz  
 Oil Commingled Tank Batt  
 Mark Owen Lease (160 Acr  
 Section 35, T-21S, R-37E