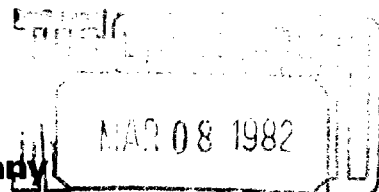




**Marathon
Oil Company**



OIL CONSERVATION DIVISION
SANTA FE

Midland District
Houston Division
Production Exploration, U.S. & Canada

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

March 3, 1982

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

Attention: Joe Ramey

Re: On-Lease Commingling, Marathon Oil Company
L. G. Warlick "C" Lease
Drinkard Field
Lea County, New Mexico

Gentlemen:

Marathon Oil Company respectfully requests administrative approval of an exception to Rule 303- A of the Commission Rules and Regulations to permit the on-lease, surface commingling of the Blinebry, Tubb, Brunson-Ellenburger and Drinkard oils produced on Marathon's L. G. Warlick "C" Lease. This lease is described as the 160 acres contained in the Southeast Quarter of Section 15, Township 21 South, Range 37 East, Lea County, New Mexico.

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

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

<u>Pool</u>	<u>Well No.</u>	<u>Top Allowable BOPD</u>	<u>Daily Average Oil Production (barrels oil)</u>
Blinebry	2	-	0.0*
	10	124	2.0
Drinkard	2	-	SI
	4	62	3.0
	7	186	3.0
	5	155	5.0
Tubb	1	-	0.0*
	3	806	25.0
Brunson- Ellenburger	5	-	0.0*

* Gas well completion.

NMOCC

March 3, 1982

Page 2

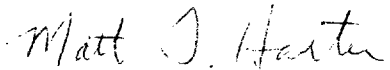
The gravities of the crude oils to be commingled are very similar and therefore the mixing of these crudes will not affect the anticipated income from the lease.

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

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

Very truly yours,

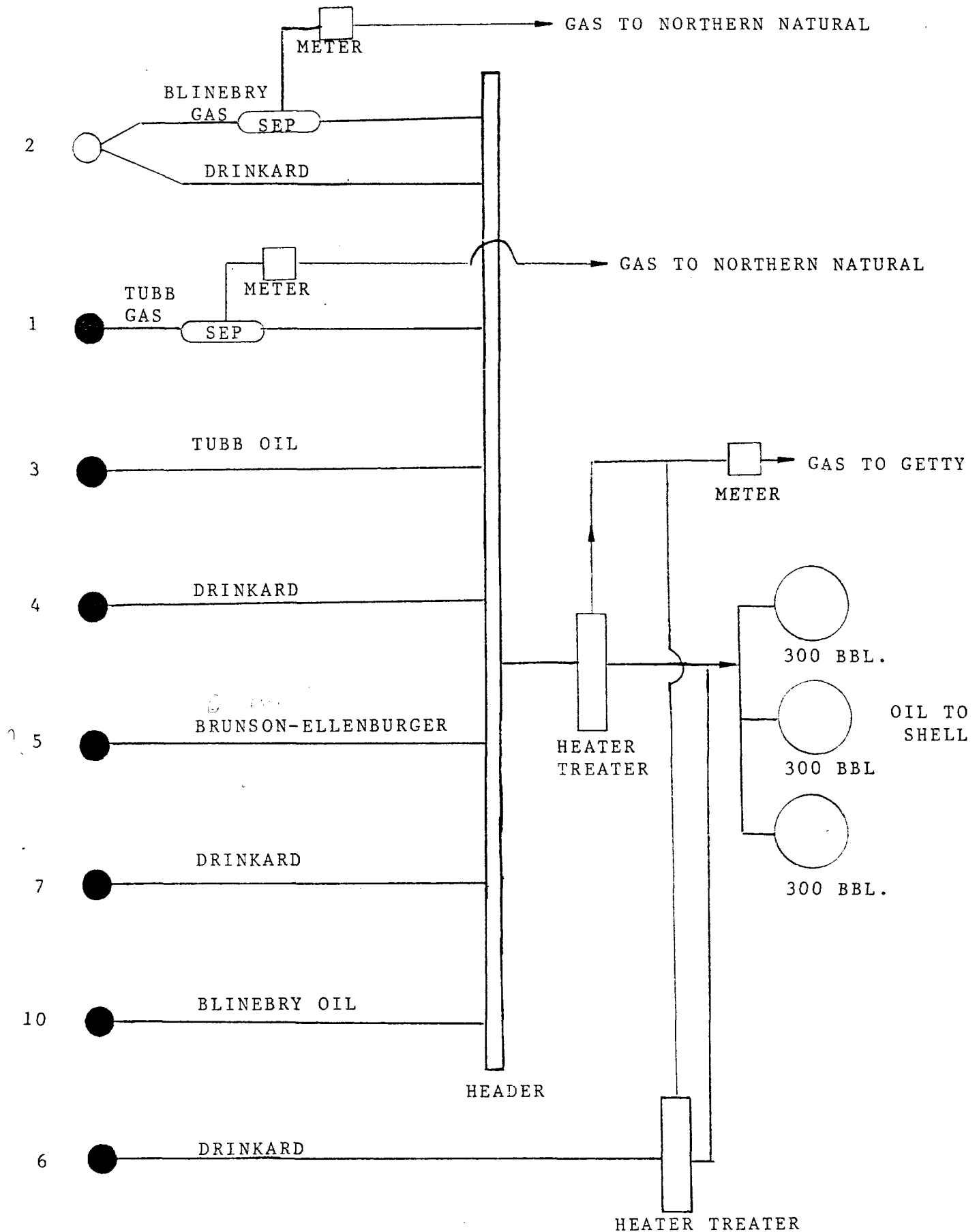
MARATHON OIL COMPANY

A handwritten signature in cursive script that reads "Matt T. Harter".

Matt T. Harter
Production Engineer

MTH/ljh
Attachments

DRINKARD FIELD
L. G. WARLICK "C" LEASE
PROPOSED COMMINGLED BATTERY



<p>GETTY</p> <p>1 D 7 Br 5 D T 2 4 Br 3 D, B1 8 D, B1</p> <p>6 D</p> <p>State "S"</p>	<p>MORANCO</p> <p>2 B1</p>	<p>SHELL</p> <p>2 D, B1</p>
<p>CITIES SERVICE</p> <p>1 B1 W 4 D, W 5 D, B1 3 2 T 6 Br</p> <p>State "S"</p>	<p>SHELL</p> <p>D, T 1 B1 2 3 B1 4 D</p> <p>State Sec. 15</p>	<p>Eva Owen</p> <p>1 D, B1, T</p> <p>Andrews</p> <p>1 D, B1</p>
<p>SHELL</p> <p>B1 2 7 W, B1 11 W 3 D, B1 6 D 10 1 D, B1 4 B1 8 D 12 D 9 Br 5 T</p> <p>Argo</p>	<p>MARATHON OIL COMPANY</p> <p>10 B1 1 T 4 D 6 7 8 B1 9 2 3 5 7</p> <p>L. G. Warlick "C"</p>	<p>CONE & FLAG-REDFERN</p> <p>B1, T 2 D, B1 3 D, B1 1 D, B1 4</p> <p>O. R. Eubanks</p>
<p>SHELL</p> <p>1 B1 10 B1 6 Br 3 D 9 W 8 D 11 Br 7 B1 12 D 4 5 B1</p> <p>Argo "A"</p>	<p>GULF</p> <p>5 Br 7 D 1 T 2 D, B1 6 Br 8 T 3 B1 4 D, B1</p> <p>Eubanks</p>	<p>GETTY</p> <p>1 B1 2 B1 2 D, B1, T 1 D</p> <p>D. A. Williamson</p>

Marathon Oil Company
L. G. Warlick "C" Lease
Lea County, New Mexico

LEGEND

Br - Brunson
D - Drinkard
W - Wantz Abo
B1 - Blinebry
T - Tubb



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

March 24, 1982

Matt T. Harter
Production Engineer
Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

RE: Applications for Administrative
Approval to Commingle Pool
Production as Provided for in
Rule 303-B L. G. Warlick

"C" Lease, Drinkard Field,

Lea County, New Mexico.

Dear Mr. Harter:

We may not process the subject application for surface commingling until the required information or plats checked on the reverse side of this letter are submitted.

Sincerely,

Michael E. Stogner

Michael E. Stogner
Petroleum Engineer

MES/dp

X Gravities of liquid hydrocarbons from each pool.

 X Values of liquid hydrocarbons from each pool.

 Volumes of liquid hydrocarbons from each pool.

 Schematic diagram of the proposed installation.

 Plat showing the location of all wells on the
lease and the pool from which each well is
producing.

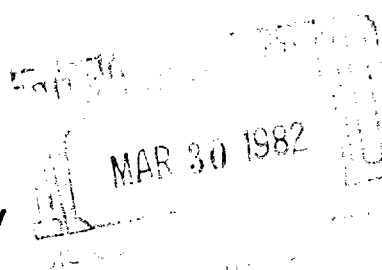
 Please state whether the actual commercial value of
such commingled production will be less than the sum
of the values of the production from each common source
of supply and, if so, how much less.

 Letter of approval from the Commissioner of Public Lands
for the State of New Mexico.

 Other: _____



**Marathon
Oil Company**



Midland District
Houston Division
Production Operations, U.S. & Canada

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

March 26, 1982

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

Attention: Michael E. Stogner

RE: On-Lease Commingling,
Marathon Oil Company
L. G. Warlick "C" Lease
Drinkard Field
Lea County, New Mexico

Mr. Stogner:

In response to your letter, dated March 24, 1982, regarding further information required for approval to Surface Commingle, please find listed below the necessary information.

<u>Pool Name</u>	<u>Liquid Hydrocarbon Gravity (^o API)</u>	<u>Value of Liquid Hydrocarbon (\$/BBL)</u>
Blinebry Gas	52.5	34.92
Tubb Gas	67.5	34.92
Drinkard	35.0	34.33
Blinebry Oil	35.5	34.33
Tubb Oil	38	34.33
Brunson-Ellenburger	None	----

Please let me know if any further information is needed.

Sincerely,

A handwritten signature in cursive script that reads 'Matthew T. Harter'.

Matthew T. Harter
Production Engineer

MTH/cb