

Completed on Nov. 9, 2001

DATE 10/15/01	SUBMITTER 11/5/01	ENGINEER MS	LOGGED IN MN	TYPE NSL	APP NO. 129038857
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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



Marathon
(Edmont)

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 OCT 15 2001
- 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 _____

- [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.

Tim L. Chase Tim J. Chase Advanced Engineer Technician 10-5-01
 Print or Type Name Signature Title Date
TChase@MarathonOil.com
 e-mail Address



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

October 4, 2001

**RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production**

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3 (API 30-025-26126)
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico**

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Marathon Oil Company requests administrative approval for a Non-Standard Gas Well Location in the Eumont Gas Pool for the C.J. Saunders Well No. 3. This well was drilled and completed in 1979 in the Arrowhead field and has been a Blinbry oil producer since November, 1982 after the Drinkard zone became unproductive and was isolated.

We also respectfully request authorization to simultaneously dedicate this well to the non-standard Eumont Gas Proration Unit (Division Administrative Order No. NSP-349) which consists of 80.24 acres. This non-standard gas proration unit is comprised of the N/2 NW/4 equivalent of Section 1, T-22-S, R-36-E, NMPM in Lea County, New Mexico.

Current Orders are:

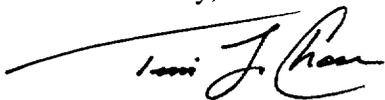
Division Order No. NSP-349 applies to the 80.24 acre non-standard gas proration unit.
Administrative Order No. SD-94-6 applies to the simultaneous dedication of the 80.24 acre non-standard gas proration unit.
Commission Order No. R-6924, Case No. 7462 (3-15-82) for downhole commingling applies to the subject well.

Upon approval to this application, the wells on this lease that will be simultaneously dedicated to this non-standard gas proration unit for the Eumont Gas Pool production are:

C.J. Saunders Well No. 1 API No. 30-025-08732
C.J. Saunders Well No. 3 API No. 30-025-26126
C.J. Saunders Well No. 4 API No. 30-025-32692

Attached is a form C-102 for the subject well. We have sent this same information to the offset operators. If you have any questions or have need of additional data, please contact me at (915) 687-8408 or e-mail me at TChase@MarathonOil.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim L. Chase". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Tim L. Chase
Advanced Engineer Technician
Marathon Oil Company
Southern Business Unit

**OFFSET OPERATORS
C.J. Saunders No. 3
430' FNL & 2307' FWL, Section 1, T-22-S, R-36-E, Unit Letter C
Lea County, New Mexico
Drinkard Field**

T-22-S, R-36-E

Section 1: Conoco, Inc.
600 North Dairy Ashford Drive
Houston, Tx 77079-1175

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 30-025-26126		² Pool Code 76480		³ Pool Name Eumont (Yates, 7 Rivers, Queen)	
⁴ Property Code		⁵ Property Name C.J. Saunders			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation G.L. 3514'

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
C	1	22-S	36E	-	430'	North	2307'	West	Lea

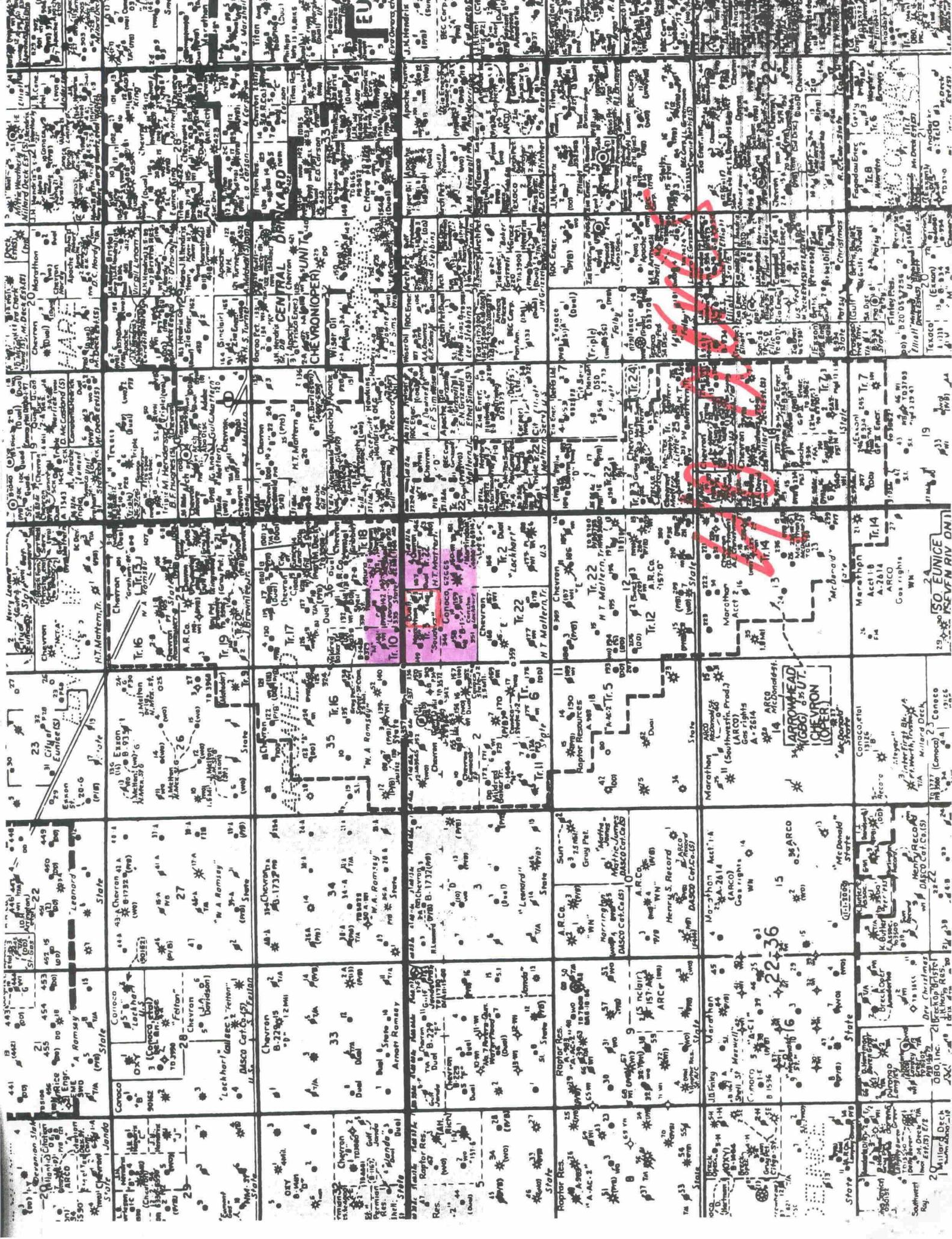
¹¹ Bottom Hole Location If Different From Surface

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 40	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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Tim L. Chase</i></p> <p>Signature</p> <p>Tim L. Chase</p> <p>Printed Name</p> <p>Advanced Engineer Technician</p> <p>Title</p> <p>10/05/01</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number John W. West 676 Ronald J. Eidson 3239 Gary L. Jones 7977</p>



441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/26/01 14:42:38
OGOMES -TQFH
PAGE NO: 1

Sec : 01 Twp : 22S Rng : 36E Section Type : NORMAL

4 40.14 Federal owned U A A	3 40.10 Federal owned U A A A	2 40.06 Fee owned U A A	1 40.02 Fee owned U A A
E 40.00 Federal owned U A A A A	F 40.00 Federal owned U A A	G 40.00 Federal owned U A A	H 40.00 Federal owned U A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/26/01 14:42:44
OGOMES -TQFH
PAGE NO: 2

Sec : 01 Twp : 22S Rng : 36E Section Type : NORMAL

L 40.00 Fee owned U A A	K 40.00 Fee owned U A	J 40.00 Federal owned U A	I 40.00 Federal owned U A
M 40.00 Fee owned U A	N 40.00 Fee owned U A A	O 40.00 Federal owned U A	P 40.00 Federal owned U A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 10/26/01 14:47:49
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQFH

API Well No : 30 25 26126 Eff Date : 05-26-2001 WC Status : T
Pool Idn : 6660 BLINEBRY OIL AND GAS (OIL)
OGRID Idn : 14021 MARATHON OIL CO
Prop Idn : 6460 C J SAUNDERS

Well No : 003
GL Elevation: 3514

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: 3	1	22S	36E	FTG 430 F N	FTG 2307 F W	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 10/26/01 14:45:18
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQFF

API Well No : 30 25 34099 Eff Date : 10-27-1997 WC Status : A
Pool Idn : 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS)
OGRID Idn : 5073 CONOCO INC
Prop Idn : 3043 LOCKHART B 1

Well No : 010
GL Elevation: 3525

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: F	1	22S	36E	FTG 1980 F N	FTG 1550 F W	A

Lot Identifier:

Dedicated Acre: 280.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 10/26/01 14:45:23
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQFH
 Page No : 1

API Well No : 30 25 34099 Eff Date : 01-26-1995
 Pool Idn : 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS)
 Prop Idn : 3043 LOCKHART B 1 Well No : 010
 Spacing Unit : 45205 OCD Order : NSP 1711 Simultaneous Dedication:
 Sect/Twp/Rng : Acreage : 280.00 Revised C102? (Y/N) :
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	E		1	22S	36E	40.00	N	FD		
	F		1	22S	36E	40.00	N	FD		
	G		1	22S	36E	40.00	N	FD		
	H		1	22S	36E	40.00	N	FD		
	I		1	22S	36E	40.00	N	FD		
	J		1	22S	36E	40.00	N	FD		
	O		1	22S	36E	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 10/26/01 14:45:32
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 1

OGRID Identifier : 5073 CONOCO INC
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 34099 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 34099	LOCKHART B 1	01 00 31	4620	F
30 25 34099	LOCKHART B 1	02 00 29	4189	F
30 25 34099	LOCKHART B 1	03 00 31	4356	F
30 25 34099	LOCKHART B 1	04 00 30	4045	F
30 25 34099	LOCKHART B 1	05 00 31	4161	F
30 25 34099	LOCKHART B 1	06 00 30	3849	F
30 25 34099	LOCKHART B 1	07 00 31	3600	F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:45:36
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 2

OGRID Identifier : 5073 CONOCO INC
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 34099 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Volumes Gas	Oil	Water	Well Stat
30 25 34099	LOCKHART B 1	08 00	30	2901			F
30 25 34099	LOCKHART B 1	09 00	29	4826			F
30 25 34099	LOCKHART B 1	10 00	30	4242			F
30 25 34099	LOCKHART B 1	11 00	30	3575			F
30 25 34099	LOCKHART B 1	12 00	31	3209			F
30 25 34099	LOCKHART B 1	01 01	31	2882			F
30 25 34099	LOCKHART B 1	02 01	28	2444			F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:45:43
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 3

OGRID Identifier : 5073 CONOCO INC
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 34099 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 34099	LOCKHART B 1	03 01 31	2481	F
30 25 34099	LOCKHART B 1	04 01 30	2546	360 F
30 25 34099	LOCKHART B 1	05 01 31	2637	372 F
30 25 34099	LOCKHART B 1	06 01 28	2403	336 F
30 25 34099	LOCKHART B 1	07 01 29	2740	F

Reporting Period Total (Gas, Oil) : 65706 1068

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:45:45
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 3

OGRID Identifier : 5073 CONOCO INC
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 34099 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Gas	Oil	Water	Well Stat
30 25 34099	LOCKHART B 1	03 01	31	2481			F
30 25 34099	LOCKHART B 1	04 01	30	2546		360	F
30 25 34099	LOCKHART B 1	05 01	31	2637		372	F
30 25 34099	LOCKHART B 1	06 01	28	2403		336	F
30 25 34099	LOCKHART B 1	07 01	29	2740			F

Reporting Period Total (Gas, Oil) : 65706 1068

M0001: This is the last page

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:46:38
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQFH

Page No : 1

API Well No : 30 25 25037 Eff Date : 10-13-1994
Pool Idn : 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS)
Prop Idn : 2687 H T MATTERN NCT F Well No : 004
Spacing Unit : 45342 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : Acreage : 80.08 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A	1	1	22S	36E	40.02	N	FE		
	B	2	1	22S	36E	40.06	N	FE		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 10/26/01 14:43:00
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQFH

API Well No : 30 25 32692 Eff Date : 11-18-1994 WC Status : A
Pool Idn : 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS)
OGRID Idn : 14021 MARATHON OIL CO
Prop Idn : 6460 C J SAUNDERS

Well No : 004
GL Elevation: 3539

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: 4	1	22S	36E	FTG 660 F N	FTG 960 F W	A

Lot Identifier:
Dedicated Acre: 80.24
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 10/26/01 14:43:09
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQFH

Page No : 1

API Well No : 30 25 32692 Eff Date : 11-18-1994
Pool Idn : 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS)
Prop Idn : 6460 C J SAUNDERS Well No : 004
Spacing Unit : 44913 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : Acreage : 80.24 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	C	3	1	22S	36E	40.10	N	FD		
	D	4	1	22S	36E	40.14	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 10/26/01 14:43:20
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 1

OGRID Identifier : 14021 MARATHON OIL CO
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 32692 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 32692	C J SAUNDERS	01 00 31	6054	F
30 25 32692	C J SAUNDERS	02 00 29	5312	F
30 25 32692	C J SAUNDERS	03 00 31	5838	F
30 25 32692	C J SAUNDERS	04 00 30	5019	F
30 25 32692	C J SAUNDERS	05 00 31	5683	F
30 25 32692	C J SAUNDERS	06 00 30	5305	F
30 25 32692	C J SAUNDERS	07 00 31	4808	F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:43:23
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 2

OGRID Identifier : 14021 MARATHON OIL CO
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 32692 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prod. MM/YY	Days Prod	Production Gas	Production Oil	Production Water	Well Stat
30 25 32692	C J SAUNDERS	08 00	28	4497			F
30 25 32692	C J SAUNDERS	09 00	30	4249			F
30 25 32692	C J SAUNDERS	10 00	31	4786			F
30 25 32692	C J SAUNDERS	11 00	30	4897			F
30 25 32692	C J SAUNDERS	12 00	31	4676			F
30 25 32692	C J SAUNDERS	01 01	31	3974			F
30 25 32692	C J SAUNDERS	02 01	28	4628			F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:43:25
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 3

OGRID Identifier : 14021 MARATHON OIL CO
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 32692 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 32692	C J SAUNDERS	03 01 31	4338	F
30 25 32692	C J SAUNDERS	04 01 30	4022	F
30 25 32692	C J SAUNDERS	05 01 31	3685	F
30 25 32692	C J SAUNDERS	06 01 28	3122	F
30 25 32692	C J SAUNDERS	07 01 31	3754	F
30 25 32692	C J SAUNDERS	08 01 31	3832	F

Reporting Period Total (Gas, Oil) : 92479

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:43:35
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQFH

API Well No : 30 25 8732 Eff Date : 08-19-1957 WC Status : A
Pool Idn : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
OGRID Idn : 14021 MARATHON OIL CO
Prop Idn : 6460 C J SAUNDERS

Well No : 001
GL Elevation: 3527

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---					-----
B.H. Locn	: 3	1	22S	36E	FTG 660 F N	FTG 1980 F W	A

Lot Identifier:
Dedicated Acre: 80.24
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 10/26/01 14:43:41
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQFH
Page No : 1

API Well No : 30 25 8732 Eff Date : 04-30-1991
Pool Idn : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
Prop Idn : 6460 C J SAUNDERS Well No : 001
Spacing Unit : 37499 OCD Order : NSP 349 Simultaneous Dedication:
Sect/Twp/Rng : Acreage : 80.24 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	C	3	1	22S	36E	40.10	N	FD		
	D	4	1	22S	36E	40.14	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 10/26/01 14:43:51
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 1

OGRID Identifier : 14021 MARATHON OIL CO
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 8732 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 8732	C J SAUNDERS	01 00 31	802	F
30 25 8732	C J SAUNDERS	02 00 29	750	F
30 25 8732	C J SAUNDERS	03 00 31	782	F
30 25 8732	C J SAUNDERS	04 00 30	812	F
30 25 8732	C J SAUNDERS	05 00 31	787	F
30 25 8732	C J SAUNDERS	06 00 30	728	F
30 25 8732	C J SAUNDERS	07 00 31	747	F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:43:54
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
 Page No: 2

OGRID Identifier : 14021 MARATHON OIL CO
 Pool Identifier : 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS)
 API Well No : 30 25 8732 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 8732	C J SAUNDERS	08 00 31	700	F
30 25 8732	C J SAUNDERS	09 00 30	722	F
30 25 8732	C J SAUNDERS	10 00 31	728	F
30 25 8732	C J SAUNDERS	11 00 30	685	F
30 25 8732	C J SAUNDERS	12 00 31	709	F
30 25 8732	C J SAUNDERS	01 01 31	651	F
30 25 8732	C J SAUNDERS	02 01 28	613	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 10/26/01 14:43:56
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQFH
Page No: 3

OGRID Identifier : 14021 MARATHON OIL CO
Pool Identifier : 76480 EUMONT;YATES-7 RVRs-QUEEN (PRO GAS)
API Well No : 30 25 8732 Report Period - From : 01 2000 To : 08 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 8732	C J SAUNDERS	03 01 31	632	F
30 25 8732	C J SAUNDERS	04 01 30	605	F
30 25 8732	C J SAUNDERS	05 01 31	640	F
30 25 8732	C J SAUNDERS	06 01 28	483	F
30 25 8732	C J SAUNDERS	07 01 31	644	F
30 25 8732	C J SAUNDERS	08 01 31	624	F

Reporting Period Total (Gas, Oil) : 13844

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

November 10, 1994

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Meftah Tiss

Administrative Order SD-94-6

Dear Mr. Tiss:

Per your application dated September 22, 1994, you are hereby authorized to simultaneously dedicate Eumont Gas Pool production to the previously approved non-standard 80.24-acre gas spacing and proration unit comprising Lots 3 and 4 (the N/2 NW/4 equivalent) of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico (Division Administrative Order NSP-349, dated February 17, 1957), from the existing C.J. Saunders Well No. 1 located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of said Section 1 and to the proposed C. J. Saunders Well No. 4 to be drilled at a standard gas well location 660 feet from the North line and 960 feet from the West line (Lot 4/Unit D) of said Section 1 (API No. 30-025-32692).

Further, you are permitted to produce the allowable assigned said non-standard 80.24-acre unit from both wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES

cc: Oil Conservation Division - Hobbs

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

NO. 2015

SANTA FE, NEW MEXICO

Date

February 13, 1957

Ohio Oil Company
P. O. Box 559
Midland, Texas

Re:

Proposed NSP

Administrative Order NSP-349

Proposed NSP

Attention: Mr. Coe S. Mills

Gentlemen:

Reference is made to your application for approval of a 80.24-acre non-standard gas proration unit in the Eument Gas Pool consisting of the following acreage:

Township 22 South, Range 36 East
N/2 NW/4 (Lots 3 & 4) of Section 1

It is understood that this unit is to be ascribed to your C. J. Saunders Well No. 1, located 660 feet from the North line and 1980 feet from the West line and in Lot 3 of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Eument Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 12 of the pool rules, based upon the unit size of 80 acres.

Very truly yours,

Very truly yours,

A. L. PORTER, JR.
Secretary-Director

WWM:dea
cc: OCC, Hobbs
EPNG, Jal

NM Oil & Gas Engr. Comm., Hobbs
EPNG, El Paso

COPY

170 122 ✓

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7462
Order No. R-6924

APPLICATION OF MARATHON OIL COMPANY
FOR DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Marathon Oil Company, is the owner and operator of the C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle Drinkard and Blinebry production within the wellbore of the above-described well.
- (4) That from the Drinkard zone, the subject well is capable of low marginal production only.
- (5) That from the Blinebry zone, the subject well is capable of low marginal production only.
- (6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 40 percent of the commingled oil production and 54 percent of the commingled gas production should be allocated to the Drinkard zone, with the remainder being allocated to the Blinebry zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Marathon Oil Company, is hereby authorized to commingle Drinkard and Blinebry production within the wellbore of the C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

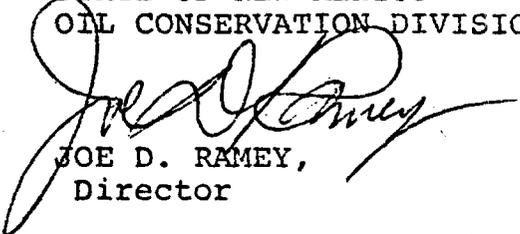
(2) That 40 percent of the commingled oil production and 54 percent of the commingled gas production shall be allocated to the Drinkard zone and with the remainder being allocated to the Blinebry zone.

(3) That the operator of the subject well shall immediately notify the Division's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

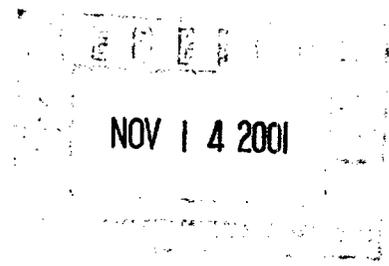
S E A L



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

November 2, 2001

Chevron USA, Inc.
P.O. Box 1150
Midland, TX 79702



RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production

RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico

ATTN: Ray Vaden:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division for a non-standard gas well location and to simultaneously dedicate Eumont-Yates, 7 Rivers & Queen Pool Production to an 80.25 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, 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,

A handwritten signature in black ink, appearing to read 'Tim L. Chase'.

Tim L. Chase
Advanced Engineer Technician

Encl.

Agreed and accepted this 9th day of November, 2001

by William T. Dees as representative of

Chevron Texaco



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

October 4, 2001

**RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production**

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3 (API 30-025-26126)
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico**

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Marathon Oil Company requests administrative approval for a Non-Standard Gas Well Location in the Eumont Gas Pool for the C.J. Saunders Well No. 3. This well was drilled and completed in 1979 in the Arrowhead field and has been a Blinbry oil producer since November, 1982 after the Drinkard zone became unproductive and was isolated.

We also respectfully request authorization to simultaneously dedicate this well to the non-standard Eumont Gas Proration Unit (Division Administrative Order No. NSP-349) which consists of 80.24 acres. This non-standard gas proration unit is comprised of the N/2 NW/4 equivalent of Section 1, T-22-S, R-36-E, NMPM in Lea County, New Mexico.

Current Orders are:

Division Order No. NSP-349 applies to the 80.24 acre non-standard gas proration unit.
Administrative Order No. SD-94-6 applies to the simultaneous dedication of the 80.24 acre non-standard gas proration unit.

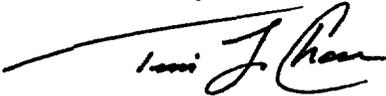
Commission Order No. R-6924, Case No. 7462 (3-15-82) for downhole commingling applies to the subject well.

Upon approval to this application, the wells on this lease that will be simultaneously dedicated to this non-standard gas proration unit for the Eumont Gas Pool production are:

C.J. Saunders Well No. 1 API No. 30-025-08732
C.J. Saunders Well No. 3 API No. 30-025-26126
C.J. Saunders Well No. 4 API No. 30-025-32692

Attached is a form C-102 for the subject well. We have sent this same information to the offset operators. If you have any questions or have need of additional data, please contact me at (915) 687-8408 or e-mail me at TChase@MarathonOil.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim L. Chase". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Tim L. Chase
Advanced Engineer Technician
Marathon Oil Company
Southern Business Unit

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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 _____
- [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.

Tim L. Chase Timothy J. Chase Advanced Engineer Technician 10-5-01
 Print or Type Name Signature Title Date
TChase@MarathonOil.com
 e-mail Address

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

Form C-102
Revised August 15, 2000

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26126		² Pool Code 76480		³ Pool Name Eumont (Yates, 7 Rivers, Queen)	
⁴ Property Code		⁵ Property Name C.J. Saunders			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation G.L. 3514'

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
C	1	22-S	36E	-	430'	North	2307'	West	Lea

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 80.25	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

	<p>Dedicated Acreage</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Tim L. Chase</i></p> <p>Signature</p>
		<p>Tim L. Chase</p> <p>Printed Name</p> <p>Advanced Engineer Technician</p> <p>Title</p> <p>11/02/01</p> <p>Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		<p>Certificate Number John W. West 676 Ronald J. Eidson 3239</p> <p>Gary L. Jones 7977</p>

INTRACOMPANY CORRESPONDENCE

TO: Tim Chase **DATE:** November 1, 2001
ROOM: Midland **FROM:** Wyn Emerson
SUBJ: Offset Operator Information **ROOM:** Midland

Pursuant to your request of today's date, the following represents the offset operators or owners for all formations as found in the PI system and Midland Map.

T-22-S, R-36-E

Section 1: Conoco, Inc.
600 North Dairy Ashford Drive
Houston, TX 77079-1175

Chevron USA, Inc.
Attn: Ray Vaden
P.O. Box 1150
Midland, TX 79702

Section 2: Conoco, Inc.

Chevron USA, Inc.

T-21-S, R-36-E

Section 35: Chevron USA, Inc.

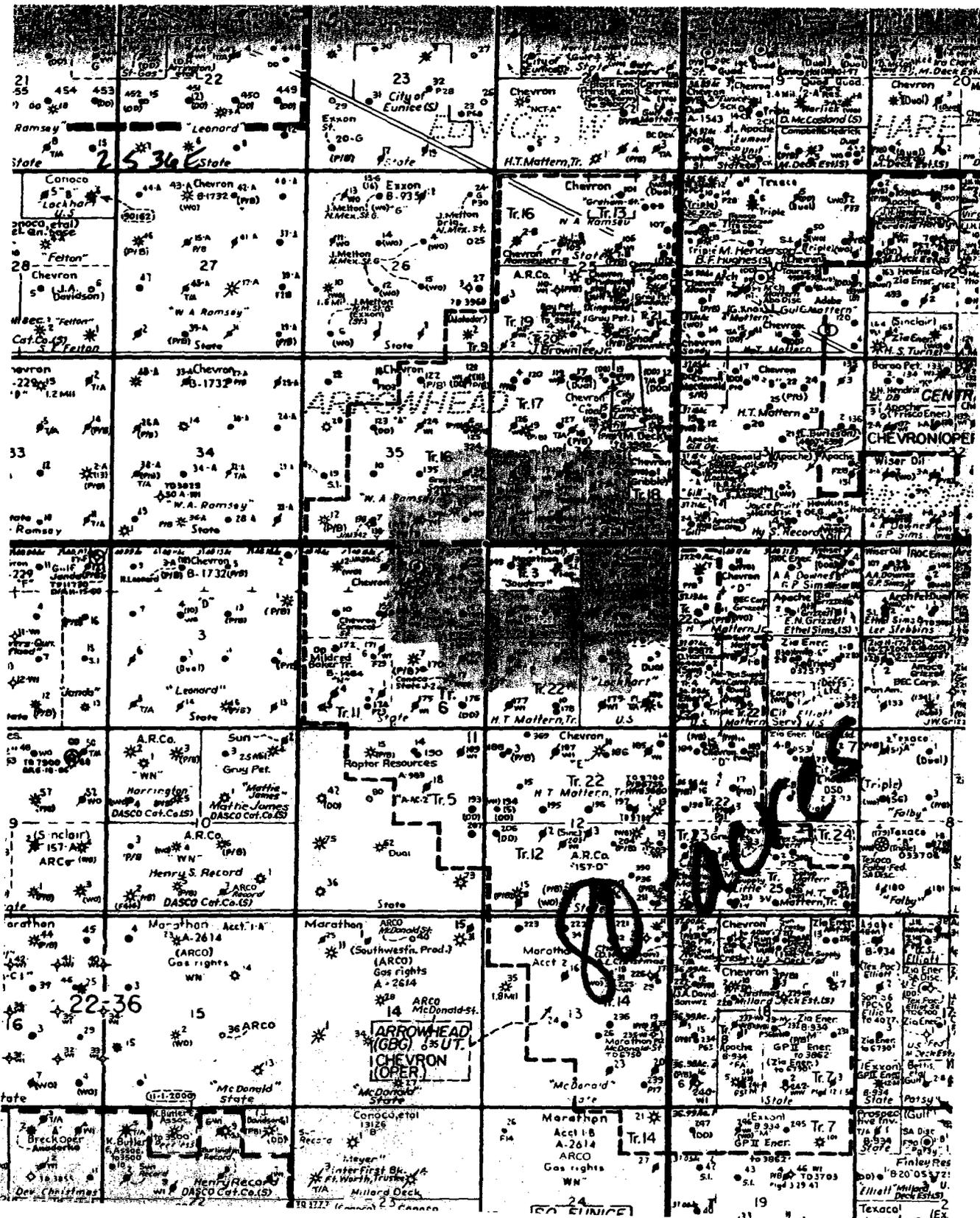
Section 36: Chevron USA, Inc.

Gruy Petroleum Management Company
1601 North Turner
Hobbs, NM 88240

Hanson Operating Company, Inc.
P.O. Box 1515
400 N Pennsylvania, Ste 1200
Roswell, NM 88202-1515

Jack Markham
1500 Broadway Street, Ste. 1212
Lubbock, TX 79401-3107

If you have any questions, please call me.



Carl



**Marathon
Oil Company**

OIL CONSERVATION DIV.

01 NOV 19 PM 2:13
P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

November 2, 2001

Hanson Operating Company, Inc.
P.O. Box 1515
400 N. Pennsylvania, Suite 1200
Roswell, NM 88202-1515

- RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production

- RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division for a non-standard gas well location and to simultaneously dedicate Eumont-Yates, 7 Rivers & Queen Pool Production to an 80.25 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, 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,

Tim L. Chase
Advanced Engineer Technician

Encl.

Agreed and accepted this 15th day of November, 2001

by *Ray White* as representative of

Hanson Operating Company, Inc.



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

October 4, 2001

**RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production**

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3 (API 30-025-26126)
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico**

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Marathon Oil Company requests administrative approval for a Non-Standard Gas Well Location in the Eumont Gas Pool for the C.J. Saunders Well No. 3. This well was drilled and completed in 1979 in the Arrowhead field and has been a Blinebry oil producer since November, 1982 after the Drinkard zone became unproductive and was isolated.

We also respectfully request authorization to simultaneously dedicate this well to the non-standard Eumont Gas Proration Unit (Division Administrative Order No. NSP-349) which consists of 80.24 acres. This non-standard gas proration unit is comprised of the N/2 NW/4 equivalent of Section 1, T-22-S, R-36-E, NMPM in Lea County, New Mexico.

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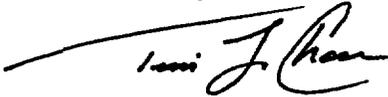
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Administrative Order No. SD-94-6 applies to the simultaneous dedication of the 80.24 acre non-standard gas proration unit.
Commission Order No. R-6924, Case No. 7462 (3-15-82) for downhole commingling applies to the subject well.

Upon approval to this application, the wells on this lease that will be simultaneously dedicated to this non-standard gas proration unit for the Eumont Gas Pool production are:

C.J. Saunders Well No. 1 API No. 30-025-08732
C.J. Saunders Well No. 3 API No. 30-025-26126
C.J. Saunders Well No. 4 API No. 30-025-32692

Attached is a form C-102 for the subject well. We have sent this same information to the offset operators. If you have any questions or have need of additional data, please contact me at (915) 687-8408 or e-mail me at TChase@MarathonOil.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim L. Chase". The signature is written in a cursive style with a long horizontal line extending to the left.

Tim L. Chase
Advanced Engineer Technician
Marathon Oil Company
Southern Business Unit

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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

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- [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 _____
- [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.

Jim L. Chase [Signature] Advanced Engineer Technician 10-5-01
 Print or Type Name Signature Title Date
TChase@MarathonOil.com
 e-mail Address

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION
1770 South St Francis Dr
Santa Fe, NM 87505

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26126		² Pool Code 76480		³ Pool Name Eumont (Yates, 7 Rivers, Queen)	
⁴ Property Code		⁵ Property Name C.J. Saunders			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation G.L. 3514'

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
C	1	22-S	36E	-	430'	North	2307'	West	Lea

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 80.25	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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Tim L. Chase</i></p> <p>Signature</p>
	<p>Tim L. Chase</p> <p>Printed Name</p> <p>Advanced Engineer Technician</p> <p>Title</p> <p>11/02/01</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number John W. West 676 Ronald J. Eidson 3239</p> <p>Gary L. Jones 7977</p>

INTRACOMPANY CORRESPONDENCE

TO: Tim Chase **DATE:** November 1, 2001
ROOM: Midland **FROM:** Wyn Emerson
SUBJ: Offset Operator Information **ROOM:** Midland

Pursuant to your request of today's date, the following represents the offset operators or owners for all formations as found in the PI system and Midland Map.

T-22-S, R-36-E

Section 1: Conoco, Inc.
600 North Dairy Ashford Drive
Houston, TX 77079-1175

Chevron USA, Inc.
Attn: Ray Vaden
P.O. Box 1150
Midland, TX 79702

Section 2: Conoco, Inc.

Chevron USA, Inc.

T-21-S, R-36-E

Section 35: Chevron USA, Inc.

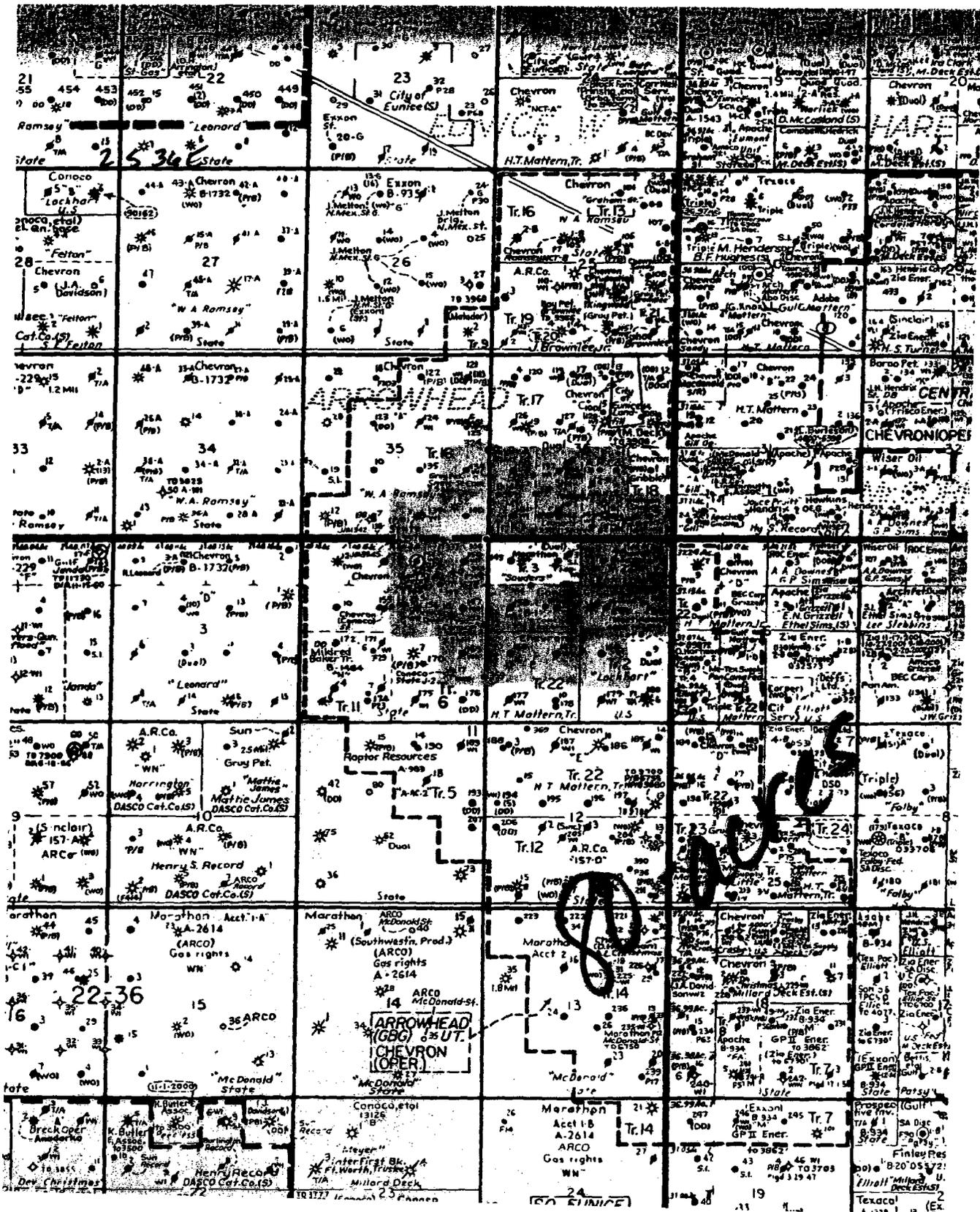
Section 36: Chevron USA, Inc.

Gruy Petroleum Management Company
1601 North Turner
Hobbs, NM 88240

Hanson Operating Company, Inc.
P.O. Box 1515
400 N Pennsylvania, Ste 1200
Roswell, NM 88202-1515

Jack Markham
1500 Broadway Street, Ste. 1212
Lubbock, TX 79401-3107

If you have any questions, please call me.





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

October 29, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Tim L. Chase

Re: Administrative application for an unorthodox Eumont infill gas well location for Marathon Oil Company's C. J. Saunders Well No. 3 (API No. 30-025-26126), located 430 feet from the North line and 2307 feet from the West line (Lot 3/Unit C) of Section 1, Township 22 South, Range 36 East, NMPM, Eumont Gas Pool (76480), Lea County, New Mexico.

Dear Mr. Chase:

This letter acknowledges the receipt of your administrative application dated October 4, 2001 for Marathon Oil Company's existing C. J. Saunders Well No. 3 (API No. 30-025-26126), located at an unorthodox infill gas well location 430 feet from the North line and 2307 feet from the West line (Lot 3/Unit C) of Section 1, Township 22 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be included within an existing 80.24-acre non-standard gas spacing and proration unit ("GPU") comprising lots 3 and 4 (N/2 NW/4 equivalent) of Section 1 (approved by Division Administrative Order NSP-349, dated February 13, 1957.

The Division received this application on October 15, 2001, accepts it as an administrative application, and assigned it NMOCD application reference No. *pKRV0-129038857*. Please refer to this number in future correspondence with the Division.

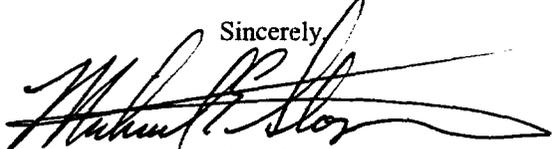
Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order. The following information is necessary:

- (1) an amended NMOCD Form C-102 that shows the appropriate acreage dedication to this well of 80.25 acres; and
- (2) a land plat and listing of all offsetting operators to the subject 80.24-acre GPU.

Since the submitted information is insufficient to review, the application was ruled as incomplete on October 29, 2001. Please submit the above stated information by Monday, November 5, 2001.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
W. Thomas Kellahin, Legal Counsel for Marathon Oil Company - Santa Fe
Walter Dueease, Marathon Oil Company - Midland

**OFFSET OPERATORS
C.J. Saunders No. 3
430' FNL & 2307' FWL, Section 1, T-22-S, R-36-E, Unit Letter C
Lea County, New Mexico
Drinkard Field**

T-22-S, R-36-E

Section 1: Conoco, Inc.
600 North Dairy Ashford Drive
Houston, Tx 77079-1175

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

District II
811 South First, Artesia, NM 88210

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

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26126		² Pool Code 76480		³ Pool Name Eumont (Yates, 7 Rivers, Queen)	
⁴ Property Code		⁵ Property Name C.J. Saunders			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation G.L. 3514'

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
C	1	22-S	36E		430'	North	2307'	West	Lea

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 40	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

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Tim L. Chase</i> Signature</p> <p>Tim L. Chase Printed Name</p> <p>Advanced Engineer Technician Title</p> <p>10/05/01 Date</p>
	<p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
<p>Certificate Number John W. West 676 Ronald J. Eidson 3239 Gary L. Jones 7977</p>	



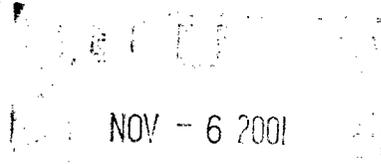
NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

October 29, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552



Attention: Tim L. Chase

Re: Administrative application for an unorthodox Eumont infill gas well location for Marathon Oil Company's C. J. Saunders Well No. 3 (API No. 30-025-26126), located 430 feet from the North line and 2307 feet from the West line (Lot 3/Unit C) of Section 1, Township 22 South, Range 36 East, NMPM, Eumont Gas Pool (76480), Lea County, New Mexico.

Dear Mr. Chase:

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The Division received this application on October 15, 2001, accepts it as an administrative application, and assigned it NMOCD application reference No. *pKRV0-129038857*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order. The following information is necessary:

- (1) an amended NMOCD Form C-102 that shows the appropriate acreage dedication to this well of 80.25 acres; and
- (2) a land plat and listing of all offsetting operators to the subject 80.24-acre GPU.

Since the submitted information is insufficient to review, the application was ruled as incomplete on October 29, 2001. Please submit the above stated information by Monday, November 5, 2001.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
W. Thomas Kellahin, Legal Counsel for Marathon Oil Company - Santa Fe
Walter Dueease, Marathon Oil Company - Midland

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

Form C-102
Revised August 15, 2000

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26126		² Pool Code 76480		³ Pool Name Eumont (Yates, 7 Rivers, Queen)	
⁴ Property Code		⁵ Property Name C.J. Saunders			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation G.L. 3514'

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
C	1	22-S	36E	-	430'	North	2307'	West	Lea

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 80.25	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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Tim L. Chase</i></p> <p>Signature</p> <p>Tim L. Chase Printed Name</p> <p>Advanced Engineer Technician Title</p> <p>11/02/01 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number John W. West 676 Ronald J. Eidson 3239 Gary L. Jones 7977</p>

Stogner, Michael

From: Chase, T L (Tim) [TChase@MarathonOil.com]
Sent: Thursday, November 01, 2001 2:46 PM
To: MSTOGNER@state.nm.us
Subject: C.J. Saunders #3 App for unorthodox infill gas well location
NMOCD application reference No. *pKRV0-129038857* (API 30-025-26126)

Mr. Stogner:

I have the information you requested in your letter of October 29, 2001 for the above administrative application. I'm mailing the originals to you and copies to the offset operators this afternoon (thursday, 11/1/01). I'm also sending you copies this afternoon via fax.

Thank You,

Tim L. Chase

Advanced Engineer Technician
Marathon Oil Company - Southern Business Unit
Joint Interest Operations
915/687-8408 TChase@MarathonOil.com

Southern Business Unit
Domestic Production



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

Fax

	To: <i>Michael Stogner</i>	From: <i>Tim Chase</i>
<i>Your</i>	Fax: <i>505-476-3471</i>	Pages: <i>4</i>
<i>My</i>	Phone: <i>915-687-8408</i>	Date: <i>11-1-01</i>
	Re: <i>C. J. Saunders #3</i>	CC:

Urgent For Review Please Comment Please Reply

Comments:

Reference No. pKRVO-129038857

IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL ASAP!

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

Form C-102
Revised August 15, 2000

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

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Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26126	² Pool Code 76480	³ Pool Name Eumont (Yates, 7 Rivers, Queen)
⁴ Property Code	⁵ Property Name C.J. Saunders	
⁷ OGRID No. 014021	⁸ Operator Name Marathon Oil Company	⁶ Well Number 3
		⁹ Elevation G.L. 3514'

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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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 80.25	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

	<p>Dedicated Acreage</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Tim L. Chase</i></p> <p>Signature</p>
		<p>Tim L. Chase</p> <p>Printed Name</p> <p>Advanced Engineer Technician</p> <p>Title</p> <p>11/02/01</p> <p>Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		<p>Certificate Number John W. West 676 Ronald J. Eldson 3239</p> <p>Gary L. Jones 7977</p>

INTRACOMPANY CORRESPONDENCE

TO: Tim Chase **DATE:** November 1, 2001
ROOM: Midland **FROM:** Wyn Emerson
SUBJ: Offset Operator Information **ROOM:** Midland

Pursuant to your request of today's date, the following represents the offset operators or owners for all formations as found in the PI system and Midland Map.

T-22-S, R-36-E

Section 1: Conoco, Inc. ✓
600 North Dairy Ashford Drive
Houston, TX 77079-1175

Chevron USA, Inc. ✓
Attn: Ray Vaden
P.O. Box 1150
Midland, TX 79702

Section 2: Conoco, Inc. ✓
Chevron USA, Inc. ✓

T-21-S, R-36-E

Section 35: Chevron USA, Inc. ✓

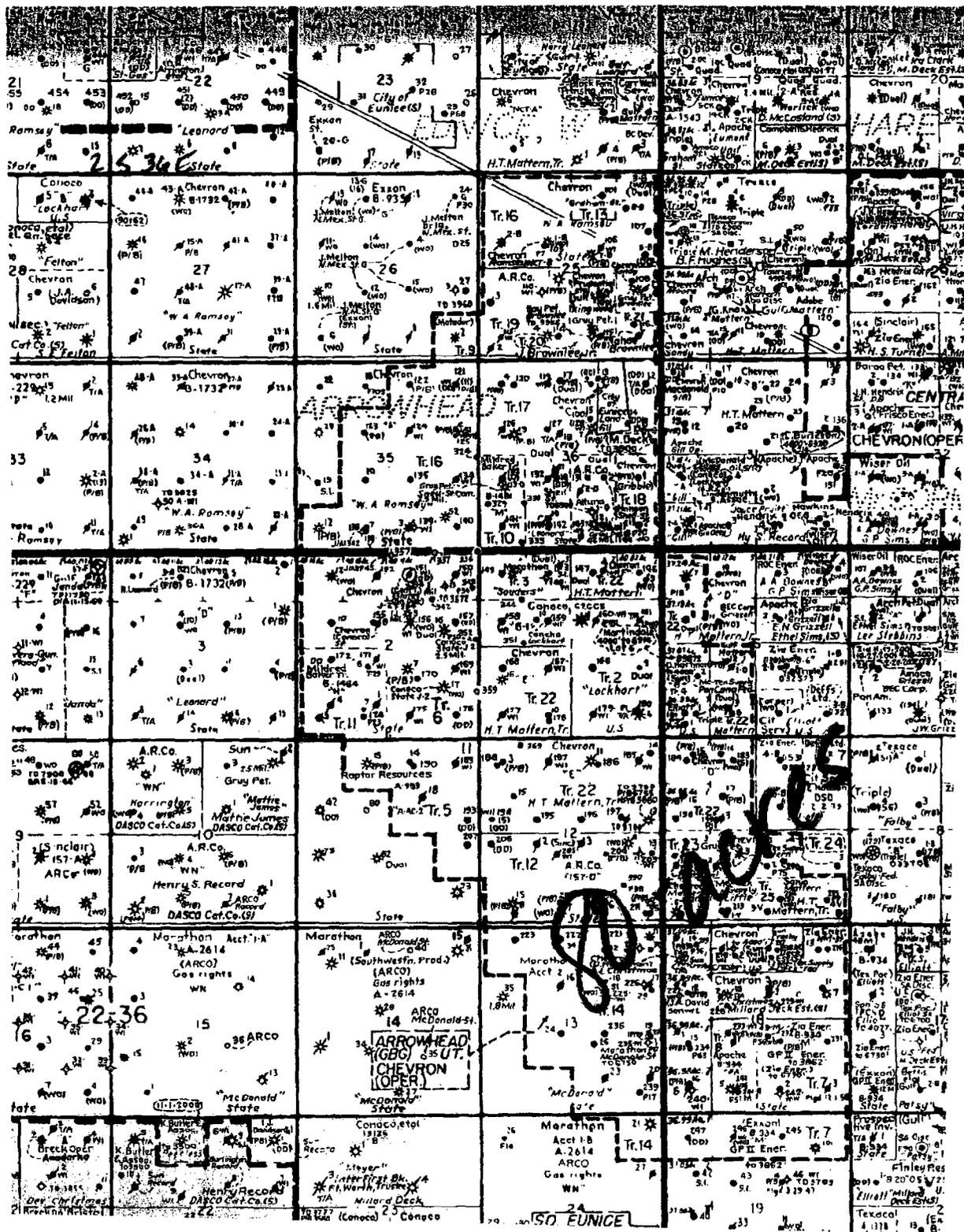
Section 36: Chevron USA, Inc. ✓

Gruy Petroleum Management Company ✓
1601 North Turner
Hobbs, NM 88240

Hanson Operating Company, Inc. ✓
P.O. Box 1515
400 N Pennsylvania, Ste 1200
Roswell, NM 88202-1515

Jack Markham ✓
1500 Broadway Street, Ste. 1212
Lubbock, TX 79401-3107

If you have any questions, please call me.





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 2, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Marathon 11-1

Attention: Tim L. Chase

Re: Administrative application dated October 4, 2001 for an unorthodox Eumont infill gas well location for Marathon Oil Company's C. J. Saunders Well No. 3 (API No. 30-025-26126), located 430 feet from the North line and 2307 feet from the West line (Lot 3/Unit C) of Section 1, Township 22 South, Range 36 East, NMPM, Eumont Gas Pool (76480), Lea County, New Mexico.

Dear Mr. Chase:

This letter acknowledges the receipt of your supplemental data that was telefaxed to me on November 1, 2001 for the subject application (*application reference No. pKRV0-129038857*) and my letter of October 29, 2001.

Please verify and submit proof that all of the offsets identified on the supplemental data were properly notified in the manner required by Division Rule 104.F (4) [see also Rule 605.B and 1207.A (2) and the amended Stipulated Declaratory Judgment of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927].

Since the submitted supplemental information in itself is insufficient to complete the subject request, the application was ruled as incomplete on November 2, 2001. Please submit the above stated information by Friday, November 9, 2001.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
W. Thomas Kellahin, Legal Counsel for Marathon Oil Company - Santa Fe
Walter Dueease, Marathon Oil Company - Midland



OIL CONSERVATION DIV.

01 NOV 26 1970
P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

November 2, 2001

Conoco, Inc.
600 North Dairy Ashford Drive
Houston, TX 77079-1175

NS 4669 (30)

RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production

RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division for a non-standard gas well location and to simultaneously dedicate Eumont-Yates, 7 Rivers & Queen Pool Production to an 80.25 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, 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,

Tim L. Chase
Advanced Engineer Technician

Encl.

Agreed and accepted this 14th day of November, 2001

by Gene L. Smith as representative of

Conoco Inc.

✓

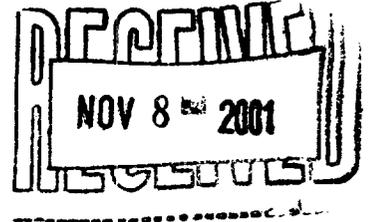


P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

DEC 13 2001

November 2, 2001

Jack Markham
1500 Broadway Street, Suite 1212
Lubbock, TX 79401-3107



- RE: Application to Simultaneously Dedicate Eumont Gas Pool Production
- RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location for the Eumont Gas Pool
C.J. Saunders Well No. 3
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico

NSL-4669(SD)

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Sincerely,

Tim L. Chase
Advanced Engineer Technician

Encl.

Agreed and accepted this 11th day of DECEMBER, 2001

by Jack Markham as representative of
JACK MARKHAM

✓

Southern Business Unit
Domestic Production



**Marathon
Oil Company**

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

Fax

To: <i>Michael Stogner</i>	From: <i>Tim Chase</i>
Fax: <i>505-476-3471</i>	Pages: <i>6</i>
Phone:	Date: <i>11-9-01</i>
Re: <i>C.J. Saunders #3</i>	CC:

Urgent For Review Please Comment Please Reply

Comments:

Supplemental Data Request

IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL ASAP!

Southern U.S. Business Unit
Domestic Production



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

November 1, 2001

Conoco, Inc.
600 North Dairy Ashford Drive
Houston, TX 77079-1175

**RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production**

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3
Unit Letter C, 430' FNL & 2307' FWL
Section 1, T-22-S, R-36-E
Lea County, New Mexico**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division for a non-standard gas well location and to simultaneously dedicate Eumont - Yates, 7 Rivers & Queen Pool Production to an 80.25 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, 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,

Tim L. Chase
Advanced Engineer Technician

Enclosure

Agreed and accepted this _____ day of _____ 2001

by _____, as representative of

Southern U.S. Business Unit
Domestic Production



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

November 1, 2001

Chevron USA, Inc.
P.O. Box 1150
Midland, TX 79702-1175

**RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production**

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3
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Section 1, T-22-S, R-36-E
Lea County, New Mexico**

Attn: Ray Vaden:

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November 1, 2001

Gruy Petroleum Management Company
1601 North Turner
Hobbs, NM 88240

**RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production**

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3
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Domestic Production



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

November 1, 2001

Hanson Operating Company, Inc.
P.O. Box 1515
400 N. Pennsylvania, Suite 1200
Roswell, NM 88202-1515

**RE: Application to Simultaneously Dedicate
Eumont Gas Pool Production**

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Well Location
for the Eumont Gas Pool
C.J. Saunders Well No. 3
Unit Letter C, 430' FNL & 2307' FWL
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Southern U.S. Business Unit
Domestic Production



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

November 1, 2001

Jack Markham
1500 Broadway Street, Suite 1212
Lubbock, TX 79401-3107

RE: **Application to Simultaneously Dedicate
Eumont Gas Pool Production**

RE: **Request for Exception to Rule 104
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for the Eumont Gas Pool
C.J. Saunders Well No. 3
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Sincerely,

Tim L. Chase
Advanced Engineer Technician

Enclosure

Agreed and accepted this _____ day of _____ 2001

by _____, as representative of

PKRVO-179038857

New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received: 10-15-2001

Date of Preliminary Review: 10-26 / 10-27
(Note: Must be within 10-days of received date)

Results: Application Complete Application Incomplete

Date Incomplete Letter Sent: 10-29 / 11-2

Deadline to Submit Requested Information: 11-5 / 11-9

Phone Call Date: _____
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed: _____

Date Application Returned: _____
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)

- Received supplemental info. on 11-1
- Sent 2nd letter of deficiency on 11-2