

NSP 10/18/99

Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

RECEIVED
SEP 27 1999

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Proration Unit
for the Eumont Yates SR-QU Pool
and to Simultaneously Dedicate**

**McGrail State Well No. 1
Unit Letter N, 660' FSL & 1980' FWL
Section 26, T-19-S, R-36-E
Lea County, New Mexico**

**McGrail State Well No. 3
Unit Letter K, 1880' FSL & 1980' FWL
Section 26, T-19-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 respectfully requests authorization for a 80 acre Non-Standard Gas Proration Unit for the Eumont Yates SR-QU Pool Production. This proposed proration unit will be comprised of the SE & NE portion of the SW/4 of Section 26, T-19-S, R-36-E in Lea County, New Mexico. The gas proration unit and simultaneous dedication will be for:

McGrail State Well No. 1 API No. 30-025-04078
McGrail State Well No. 3 API No. 30-025-32579

The McGrail State Well No. 1 was granted an 80 acre Non-Standard Gas Proration Unit in 1954 (R-534). In 1994 the McGrail State Well No. 3 was drilled and completed in the Eumont. Wells No. 1 & 3 were simultaneously dedicated by Administrative Order SD-94-4. Work on McGrail State Well No. 1 in 1995, made it an oil well in the Eumont and the well was reclassified. At that time McGrail State Well No. 3 was granted a 40 acre Non-Standard Gas Proration Unit (NSP-1732 L).

Marathon Oil Company respectfully requests to reclassify the McGrail State Well No. 1 from an oil to gas well. This is necessary because the well no longer makes any oil. The gas on McGrail State Well No. 1 is meter separately.

Attached is the C-102 showing the locations and footage for the two wells. If you have any questions or have need of additional data, please contact me at (505) 393-7106 ext. 201.

Sincerely,

Thomas P. Kacir
Production Engineer

**OFFSET OPERATORS
McGrail State
SW/4 Section 26,
T-19-S, R-36-E, N.M.P.M.
Lea County, New Mexico
Monument Field**

T-19-S, R-36-E

Section 26:
Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252-2040

Lewis B. Burleson Inc.
P.O. Box 2479
Midland, Texas 79702-2479

Rhombus Operating Co. Ltd.
200 N. Loraine, Ste 1270
Midland, Texas 79701

Chevron USA Production Co.
P.O. Box 1150
Midland, Texas 79702-1150

Section 35:
Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252-2040

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

Form C-116
Revised 1/1/89

Submit 2 copies to Appropriate District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
811 S. 1st Street, Artesia, NM 88210-2834
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

GAS - OIL RATIO TEST

Operator		Pool		County										
Marathon Oil Company		Eumont; Yates, 7 Rivers Queen (Gas)		Lea										
Address		TYPE OF TEST - (X)		Completion										
P.O. Box 2490 Hobbs, NM 88240		<input type="checkbox"/> Scheduled <input type="checkbox"/> Special		<input type="checkbox"/> Special <input checked="" type="checkbox"/> X										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS-OIL RATIO CU.FT./BBL	
		U	S	T						R	WATER BBL'S.	GRAV. OIL		OIL BBL'S.
McGraft State	1	N	26	19	36	8/1/99	F	40	M	24	0	0	0	6
	1	N	26	19	36	9/1/99	F	40	M	24	0	0	0	6
	3	K	26	19	36	8/5/99	F	20	M	24	0	0	0	53
	3	K	26	19	36	9/2/99	F	20	M	24	0	0	0	53

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Thomas P. Kacir
Signature
Thomas P. Kacir
Printed name and title
September 24, 1999
Date
Production Engineer
393-7106
Telephone No.

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60°F.
Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04078		² Pool Code 76480		³ Pool Name Eumont, Yates, SR, QU	
⁴ Property Code 6440		⁵ Property Name McGrail State			⁶ Well Number 1
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3678' GL

¹⁰ Surface Location

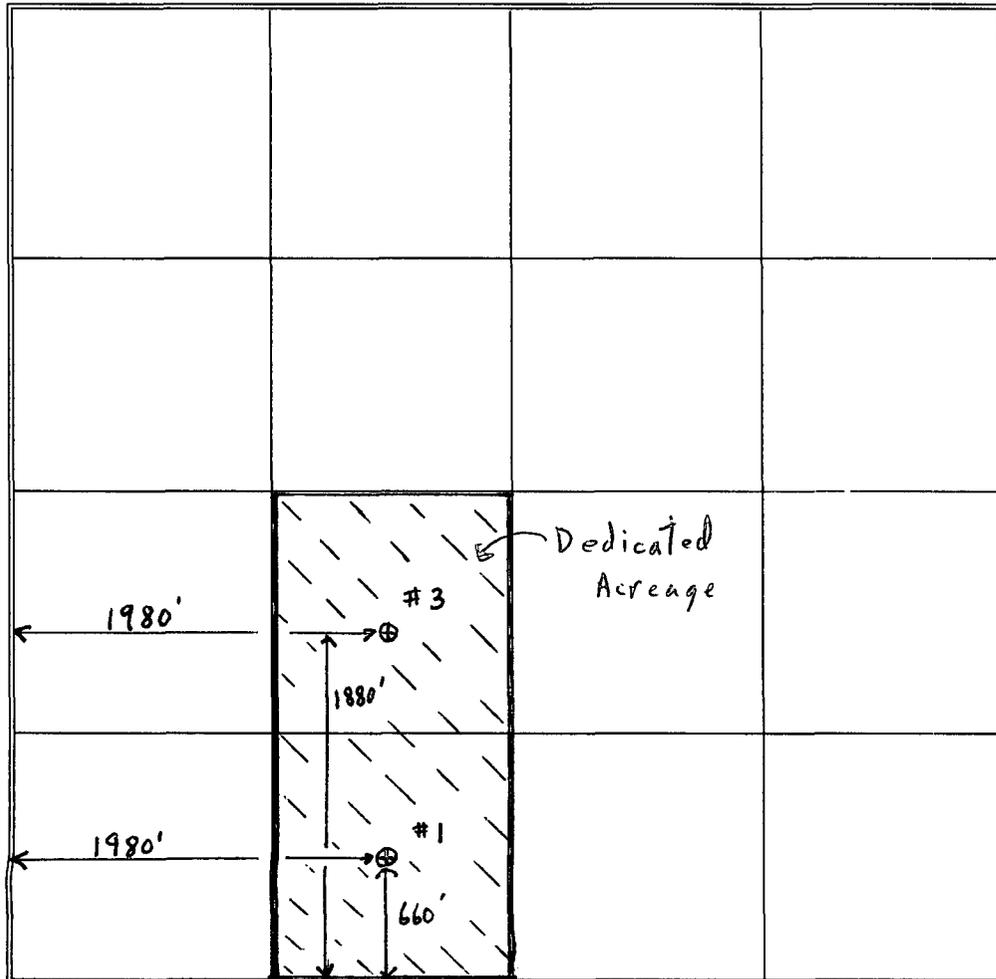
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
N	26	19S	36E		660	South	1980	West	Lea

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	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.

Thomas P. Kacir

 Signature
 Thomas P. Kacir

 Printed Name
 Production Engineer

 Title
 9-24-99

 Date

¹⁸ 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 Surveyer:

 Certificate Number

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1994
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2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32579		² Pool Code 76480		³ Pool Name Eumont, Yates, SR, QU	
⁴ Property Code 6440		⁵ Property Name McGrail State			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3678' GL

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
K	26	19S	36E		1880	South	1980	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Thomas P Kacir</i></p> <p>Signature Thomas P. Kacir Printed Name Production Engineer Title 9-24-99 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor:</p> <p>_____ Certificate Number</p>

Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252-2040

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Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to simultaneously dedicate Eumont Yates SR-QU Pool Production to an 80 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 non-standard gas proration unit and to simultaneously dedicated the 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 cursive script that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of

Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

Lewis B. Burleson Inc
P. O. Box 2479
Midland, Texas 79702-2479

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Thomas P. Kacir
Production Engineer

TPK/
Enclosure

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by _____, as representative of

Houston Division
Production Operations, United States



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Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

Chevron USA Production Co.
P. O. Box 1150
Midland, Texas 79702-1150

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Production Engineer

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200 N. Loraine, Ste 1270
Midland, Texas 79701

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Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of

NSP-1732A(SD)



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10/4/99

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP X SD
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the: McGrail State #3-K-26-195-36e
Marathon Oil Co. McGrail State #1-N-26-195-36e
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams
Supervisor, District 1

/ed