

March 5, 1981

Mr. Joe D. Ramey
Energy and Minerals Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Re: Application of Marathon Oil Company for Approval of Down-Hole Commingling of Production in the Walter Lynch Well No. 7 (Unit D, Sec. 1, T-22S, R-37E), Drinkard and Wantz Granite Wash Oil Pools, Lea County, New Mexico

Dear Mr. Ramey

Marathon Oil Company requests your administrative approval for an exception to Rule 303-A to permit downhole commingling of production in the subject well from the Drinkard and Wantz Granite Wash Pools.

Currently, the Drinkard zone is flowing and the Wantz Granite Wash zone is shut in because of parted tubing. The Wantz Granite Wash zone was being produced by a pumping unit prior to a tubing leak. An attempt was made to pull the tubing to repair the leak, but the downhole equipment would not release, necessitating cutting off the tubing. Upon approval to downhole commingle, the tubing and packer for the Wantz Granite Wash zone will be fished and both zones will be produced by a pumping unit.

Both zones are classified as oil zones. Ownership of the two zones is common. The total daily oil production from both zones before commingling does not exceed 50 barrels per day. Neither zone produces more water than the combined oil limit.

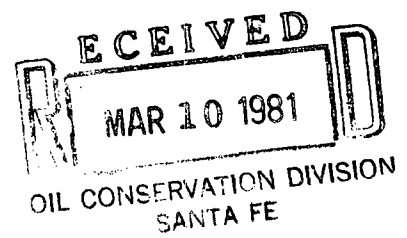
Additional information concerning this application as outlined in Rule 303-C is attached for your consideration.

Very truly yours,

A handwritten signature in cursive script that reads 'Patrick N. Burton'.

Patrick N. Burton
Production Engineer

PNB:lbp



Rule 303 C-2 Information

A. Operator:

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88240

B. Lease:

Walter Lynch Well No. 7
Unit D, Sec. 1, T-22S, R-37E
Lea County, New Mexico

C. Well is completed in the Drinkard and Wantz Granite Wash pools as a dual completion per Administrative Order MC-2379.

D. C-116 dated 3-3-81 for the Drinkard zone is attached. The C-116 for the Wantz Granite Wash zone is not attached because the zone is shut in with parted tubing; hence, no GOR could be obtained.

E. Production decline curves for both the Drinkard and Wantz Granite Wash zones are attached.

F. Bottom Hole Pressure Data:

Drinkard - Datum-3050', Pressure at Datum 367 psi
Wantz Granite Wash - Datum-3900', Pressure at Datum 485 psi*

G. Fluid Characteristics:

There is no evidence of incompatibility in fluids.

H. Value of Commingled Fluids:

Drinkard and Wantz Granite Wash production have been surface commingled on this lease per Administrative Order PC-534, dated October 15, 1976. Since production is already commingled on the surface, downhole commingling will not affect the price.

I. All offset operators have been notified by a copy of this application:

Cities Service Company	P.O. Box 1919	Midland, Texas 79702
Exxon Corp.	P.O. Box 1600	Midland, Texas 79701
Sun Oil Co.	P.O. Box 1861	Midland, Texas 79702
Gulf Oil Co.	P.O. Box 670	Hobbs, New Mexico 88240
Getty Oil Co.	P.O. Box 730	Hobbs, New Mexico 88240
Arco Oil and Gas Co.	P.O. Box 1710	Hobbs, New Mexico 88240

* Estimate based on most recent available BHP data within vicinity of well.

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Marathon Oil Company		Pool Drinkard		County Lea											
Address P.O. Box 2409 Hobbs, NM 88240		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	SPELTS	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 BBLs.	GRAV. OIL	OIL BBLs.	
Walter Lynch	7	D	1	22S	37E	2-23-81	F	32/64	160	1	47	5	86	17,200	

No well will be assigned an allowable greater than the amount of oil produced on the official test.

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 Commission.

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.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

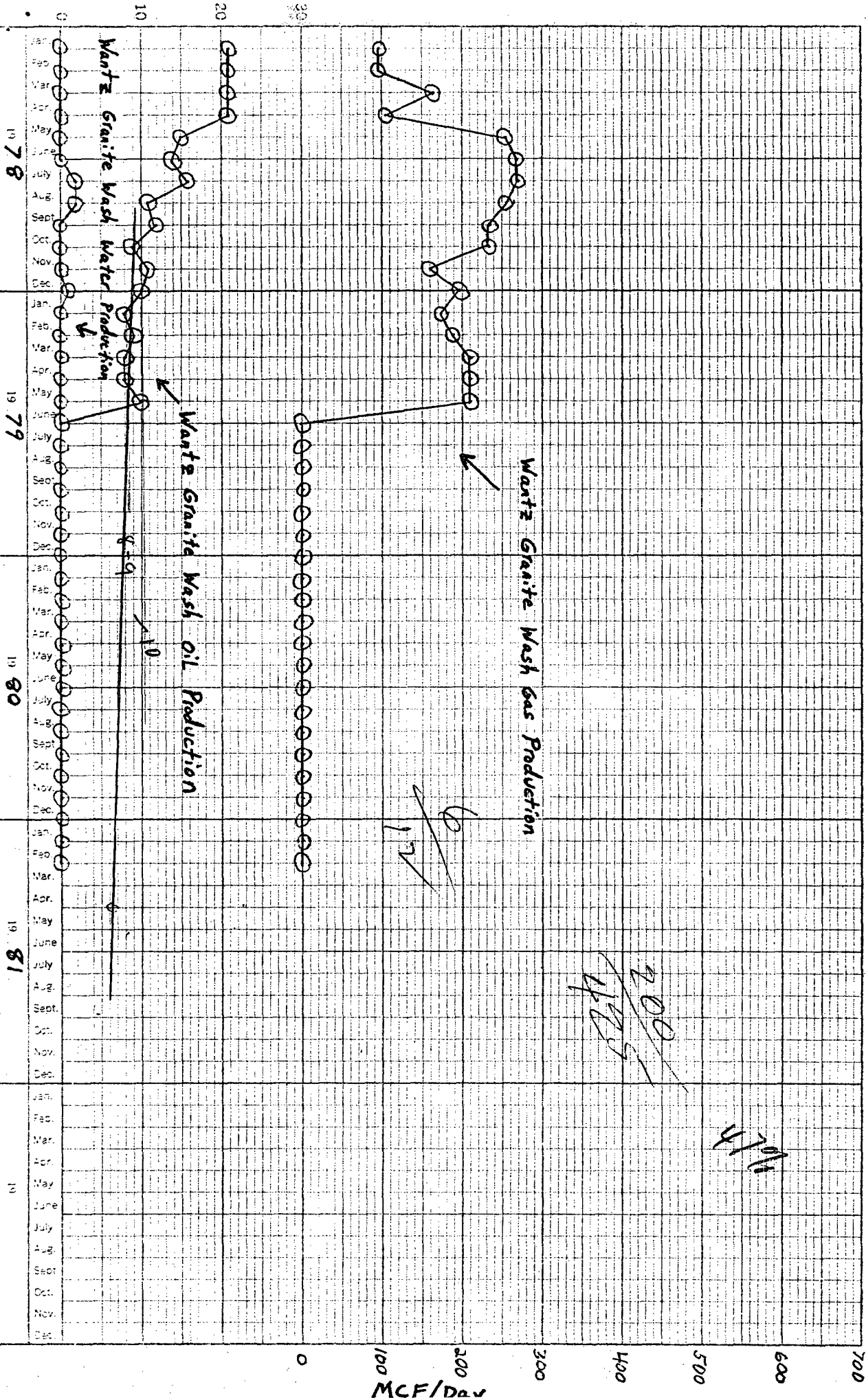
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Operations Superintendent

March 3, 1981

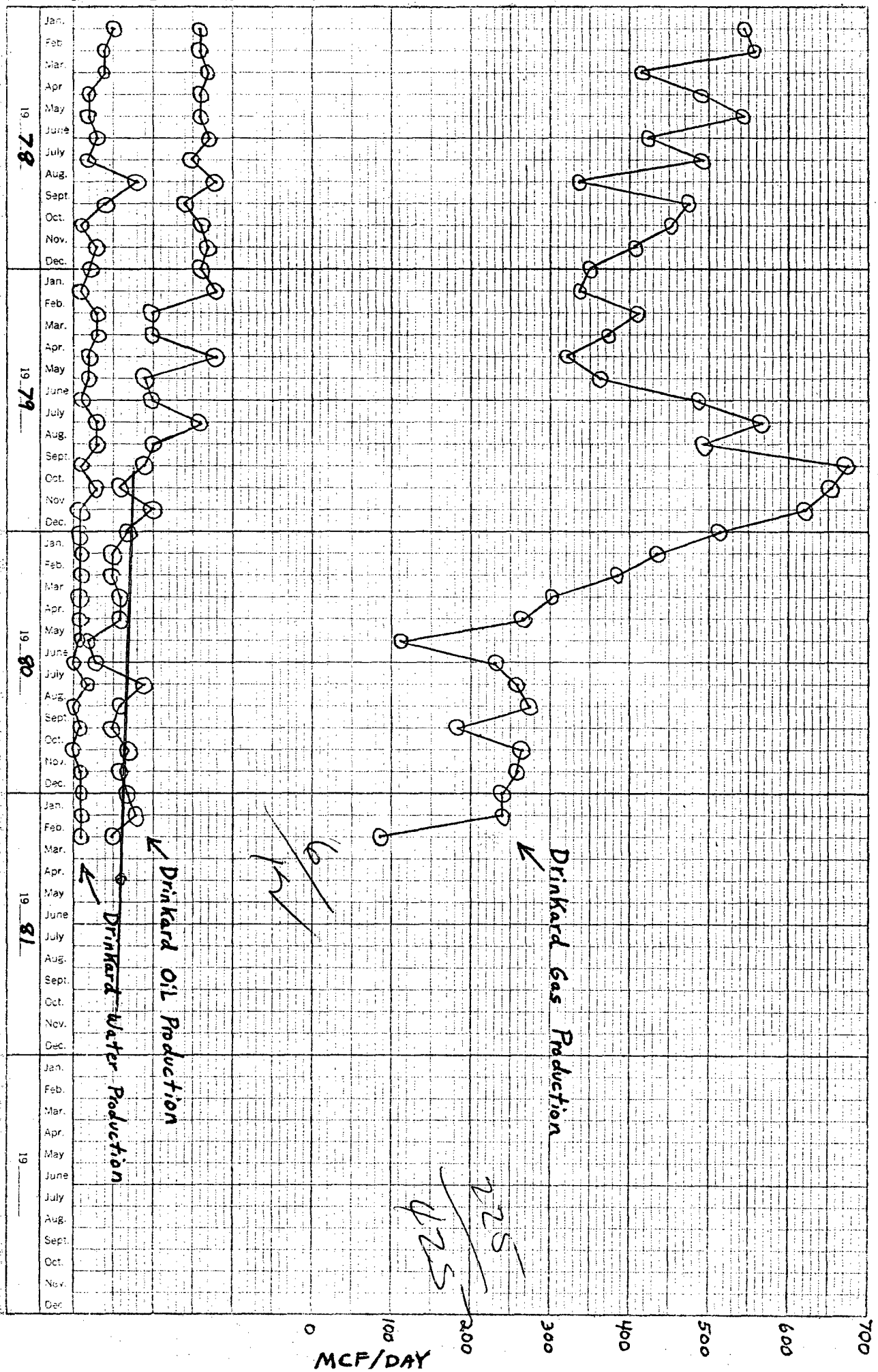
DIST. RLMO. DCH FILE

BBL/Day

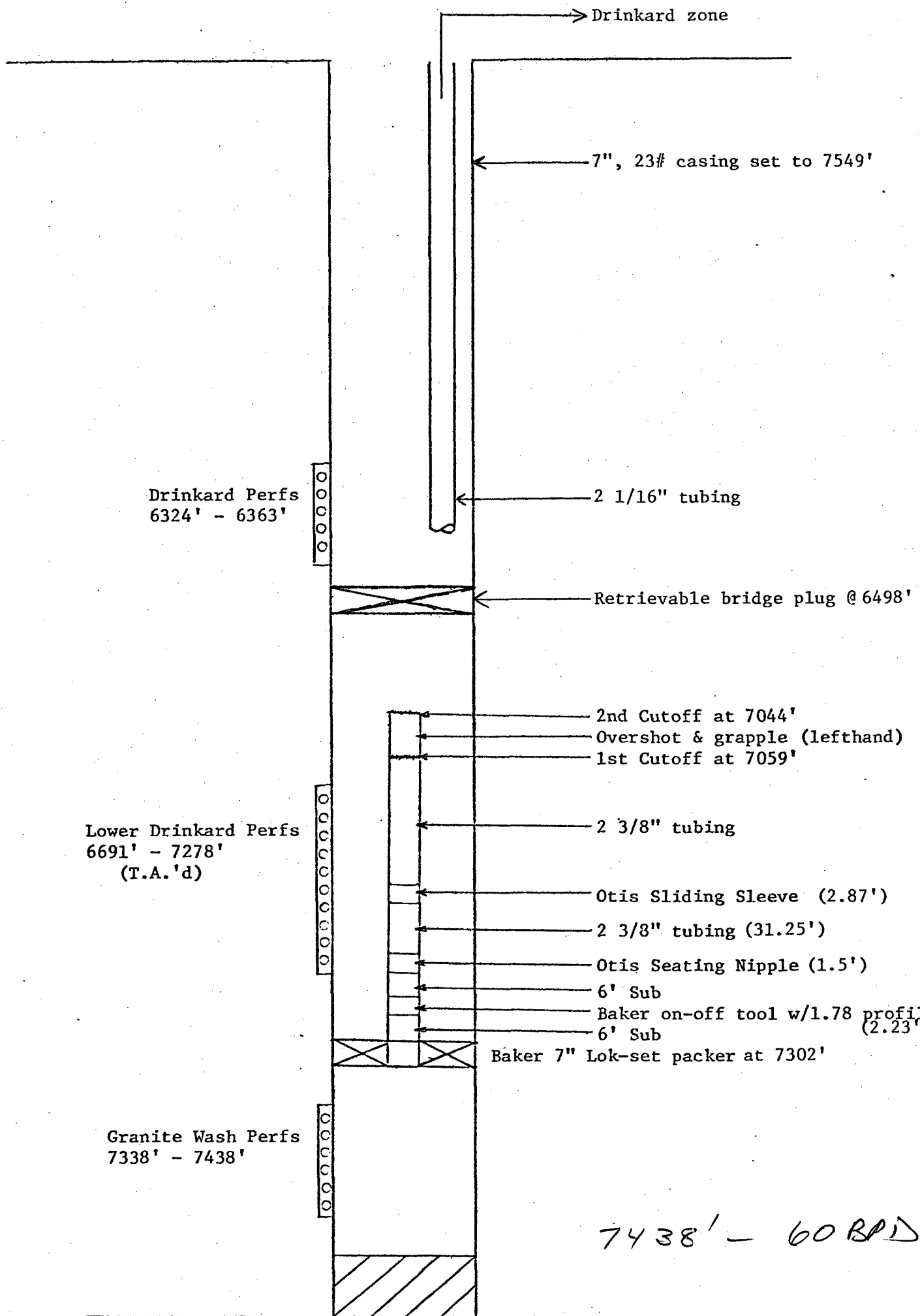


Walter Lynch #7
Marathon Oil Company

Walter Lynch #7
Marathon Oil Company



Walter Lynch Well No. 7
Present Downhole Status



CIT. SERV.
"A"
5-76

1
 $\frac{(135)}{(216)}$ 29
23

OWEN

GETTY
"Q"

T
21
S

STATE

EXXON
"S"
2

12-76 35
IPF 180 BOPD
67 MCFPD

MARATHON
721 2-75

7
 $\frac{(11)}{(114)}$ 9
63

8-75 GULF
7
 $\frac{(6)}{(24)}$ 2
7

T
22
S

LEGEND

Scale 1" = 1000'

MARATHON OIL COMPANY
W. Lynch Lease
Sec. 1, T-22-S, R-37-E

WANTZ GRANITE WASH POOL
DRINKARD AREA
Lea County, New Mexico

4-63

24
 $\frac{(16)}{(83)}$ 2
5

7-74 SUN
6-74

4
Tested Gas
 $\frac{(74)}{(163)}$ 108
198

12-75

6
 $\frac{(36)}{(55)}$ 11
28

9-76

34
 $\frac{(19)}{(549)}$ 33
6
17

8-74

3
 $\frac{(31)}{(171)}$ 28
82
W. LYNCH

SUN
8-63

1
 $\frac{(52)}{(61)}$ 102
150
A. CHRISTMAS

10-74

6
 $\frac{(12)}{(19)}$ 4
6
A. PADDOCK

MARATHON 5-76
377 14
S.I. 16
177

TEX. PAC.
11-75 2
 $\frac{(172)}{(453)}$ 21
42

EXXON
2-76

2
S.I. .1
.3
WHITAKER

ARCO 12

Allocated Prod. (BOPD 10-76) Cum. MSTB 11-1-76
(MCFPD 10-76) Cum. MMCF 11-1-76

Location



Memo

From

4/14/81

MELBA CARPENTER

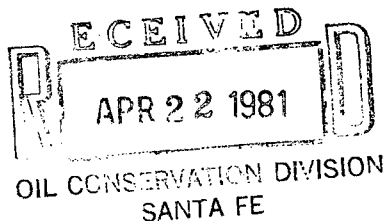
Oil Conservation Staff

Specialist

To Carl Ulvog

Have you received a copy of the attached application previously? If so, has any disposition been made?

Marathon called me about it and we didn't have a copy in our file so they brought one down. You will note that it is dated March 5, 1981.



OIL CONSERVATION DIVISION
DISTRICT I

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

DATE April 14, 1981

RE: Proposed MC _____
Proposed DHC X _____
Proposed NSL _____
Proposed NSP _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

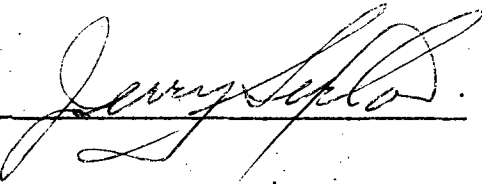
I have examined the application for the:

Marathon Oil Co.	Walter Lynch	No. 7-D	1-22-37
Operator	Lease and Well No.	Unit, S - T - R	

and my recommendations are as follows:

O.K.-----J.S.

Yours very truly,


/mc

