

DHC

11/18/98

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

*Amal
DHC-1048*

October 23, 1998

Mr. David Catanach
Oil Conservation Department
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501

OCT 29 1998

RE: **Request for Exception to Rule 303-A
Downhole Commingling
Edith Butler "B" Well No. 1
Unit Letter I, 1980' FSL & 660' FEL
Section 13, T-22-S, R-37-E
Blinebry Oil & Gas, Tubb Oil & Gas and South Brunson Drinkard-Abo
Drinkard Field
Lea County, New Mexico**

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of production in the above subject well from the Blinebry Oil & Gas, Tubb Oil & Gas and South Brunson Drinkard-Abo pools in Lea County, New Mexico. Marathon also request a 30 day exception to Rule 303-A to permit the downhole commingling of production while awaiting for approval of application. If application is not approved, then the well will be worked over to produce only the Blinebry Oil & Gas pool.

All three pools have marginal production. The Tubb and Drinkard-Abo were downhole commingled in 1994 (order DHC-1048). In 1996, a workover isolated the Tubb and Drinkard-Abo below a bridge plug. Pay was then added in the Blinebry Oil & Gas zones. Current production is from the Blinebry Oil & Gas pool. The RBP will be removed and the three pools will be downhole commingled. By downhole commingling the production from the three zones, production will be realized that could not economically justify the cost of equipment to separate the zones. Rod pumping equipment will be utilized to keep the PBHP as low as possible, preventing crossflow.

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at (505) 393-7106, ext 201.

Sincerely,

Thomas P. Kacir

Thomas P. Kacir
Production Engineer

TPK/dbc
Enclosure

REQUEST FOR EXCEPTION TO RULE 303-A

Edith Butler "B" Well No. 1

Drinkard Field

A: Operator

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

B: Lease Name and Well Number

Edith Butler "B" Well No. 1
Unit Letter I, 1980' FSL & 660' FEL
Section 13, T-22-S, R-37-E
Lea County, New Mexico
Drinkard: Blinebry Oil & Gas, Tubb Oil & Gas, South Brunson Drinkard-Abo Pools

C: Plats and Offset Operators

Attached

D: C-116's

Attached

E: Production Decline Curves

Attached

F: Estimated Bottomhole Pressures

| | |
|----------------------------|---------|
| | Current |
| Blinebry Oil & Gas | 300 psi |
| Tubb Oil & Gas | 350 psi |
| South Brunson Drinkard-Abo | 500 psi |

G: Product Characteristics

Previous commingling of these zones by Marathon and other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.

H: Value

Marathon receives the same price for product from these zones and value will not be adversely affected.

I: Production Allocation

| <u>POOL</u> | <u>BOPD</u> | <u>MCFD</u> | <u>BWPD</u> | <u>Estimated Methods</u> |
|-------------------------|-------------|-------------|-------------|------------------------------|
| Blinebry Oil & Gas | 20 | 145 | 10 | Current Production |
| Tubb Oil & Gas | 1.2 | 48 | 0.5 | Pre-1996 Workover Production |
| S. Brunson Drinkard-Abo | <u>5.8</u> | <u>117</u> | <u>0.5</u> | Pre-1996 Workover Production |
| Total | 27 | 310 | 11 | |

| <u>Allocated Percentages</u> | <u>Oil %</u> | <u>Gas %</u> | <u>Water %</u> |
|--|--------------|--------------|----------------|
| Post-workover utilizing above production | | | |
| Blinebry Oil & Gas | 74.1 | 46.8 | 91.0 |
| Tubb Oil & Gas | 4.4 | 15.5 | 4.5 |
| S. Brunson Drinkard-Abo | <u>21.5</u> | <u>37.7</u> | <u>4.5</u> |
| Total | 100 | 100 | 100 |

J: Ownership

Ownership of all zones is common and correlative rights will not be compromised.

K: Offset Operator Notification

By copy of this letter we are notifying all offset operators (see list, Item C) of the proposed commingling, by certified mail.

OFFSETTING OPERATORS
Edith Butler "B" Well No. 1
UL "I", 1980' FSL, 660' FEL
Section 13, T-22-S, R-37-E
Lea County, New Mexico
Drinkard Field

Exxon Corporation
P.O. Box 4697
Houston, Texas 77210-4697

John H. Hendrix Corp.
P.O. Box 3040
Midland, Texas 79702-3040

Ernie L. Hegwer
513 E. Zia Drive
Hobbs, NM 88240

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

October 23, 1998

Exxon Corporation
P.O. Box 4697
Houston, Texas 77210

**RE: Request for Exception to Rule 303-A
Downhole Commingling
Edith Butler "B" Well No. 1
Unit Letter I, 1980' FSL & 660' FEL
Section 13, T-22-S, R-37-E
Blinbry Oil & Gas, Tubb Oil & Gas, South Brunson Drinkard-Abo Pools
Drinkard Field
Lea County, New Mexico**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division for a downhole commingling production permit in the above referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, 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 _____ 1998

by _____, as representative of

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

October 23, 1998

John H. Hendrix Corporation
P.O. Box 3040
Midland, Texas 79702

**RE: Request for Exception to Rule 303-A
Downhole Commingling
Edith Butler "B" Well No. 1
Unit Letter I, 1980' FSL & 660' FEL
Section 13, T-22-S, R-37-E
Blinbry Oil & Gas, Tubb Oil & Gas, South Brunson Drinkard-Abo Pools
Drinkard Field
Lea County, New Mexico**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division for a downhole commingling production permit in the above referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, 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 _____ 1998

by _____, as representative of

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

October 23, 1998

Ernie L. Hegwer
513 Zia Drive
Hobbs, NM 88240

**RE: Request for Exception to Rule 303-A
Downhole Commingling
Edith Butler "B" Well No. 1
Unit Letter I, 1980' FSL & 660' FEL
Section 13, T-22-S, R-37-E
Blinebry Oil & Gas, Tubb Oil & Gas, South Brunson Drinkard-Abo Pools
Drinkard Field
Lea County, New Mexico**

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division for a downhole commingling production permit in the above referenced well. Please find enclosed a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, 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 _____ 1998

by _____, as representative of

14L 'J' + 'I'
Sec 13, T-22-S, R-37-E

[illegible]

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

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 | | B11nebry Oil & Gas | | Lea | | | | | | | | | | | |
| Address | | TYPE OF TEST - (X) | | Completion | | Special | | | | | | | | | |
| P.O. Box 2490, Hobbs, NM 88241 | | SCHEDULED | | Completion | | Special | | | | | | | | | |
| 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 CUFT/BBL |
| | | U | S | T | R | | | | | | WATER BBL.S. | GRAV. OIL | OIL BBL.S. | GAS M.C.F. | |
| EDITH BUTLER 'B' | 1 | I | 13 | 22S | 37E | 09/04/98 | P | 250 | | 24 | 10 | 20 | 145 | 7.250 | |

For Information Only

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.)

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

Theresa P. K...

Signature _____

Thomas P. Kacir
Production Engineer

Printed name and title

October 23, 1998
(505) 393-7106

Date _____ Telephone No. _____

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 | | LEA | | | | | | | |
|--------------------------------|----------|---|----|------------|--------------|------------|-------------|------------------|----------------------|-------------------|--------------|-----------|------------------------|
| Marathon Oil Company | | Tubb Oil & Gas / South Brunson Drinkard-Abo | | | | | | | | | | | |
| Address | | TYPE OF TEST - (X) | | Completion | | Special | | | | | | | |
| P.O. Box 2490, Hobbs, NM 88241 | | SCHEDULED | | Completion | | Special | | | | | | | |
| 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 CUFT/BBL |
| | | U | S | T | | | | | | R | WATER BBL.S. | GRAV. OIL | |
| EDITH BUTLER 'B' | 1 | I | 13 | 22S | 37E | 12/18/95 | P | 100 | 24 | 0.5 | 1.2 | 48 | 40,000 |
| Tubb Oil & Gas | | | | | | | | | | 0.5 | 5.8 | 117 | 20,172 |
| S. Brunson Drinkard-Abo | | | | | | | | | | 1.0 | 7.0 | 165 | 23,571 |
| Total (DHC-1048) | | | | | | | | | | | | | |
| For Information Only | | | | | | | | | | | | | |

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.)

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

Thomas P. Kacir
Signature

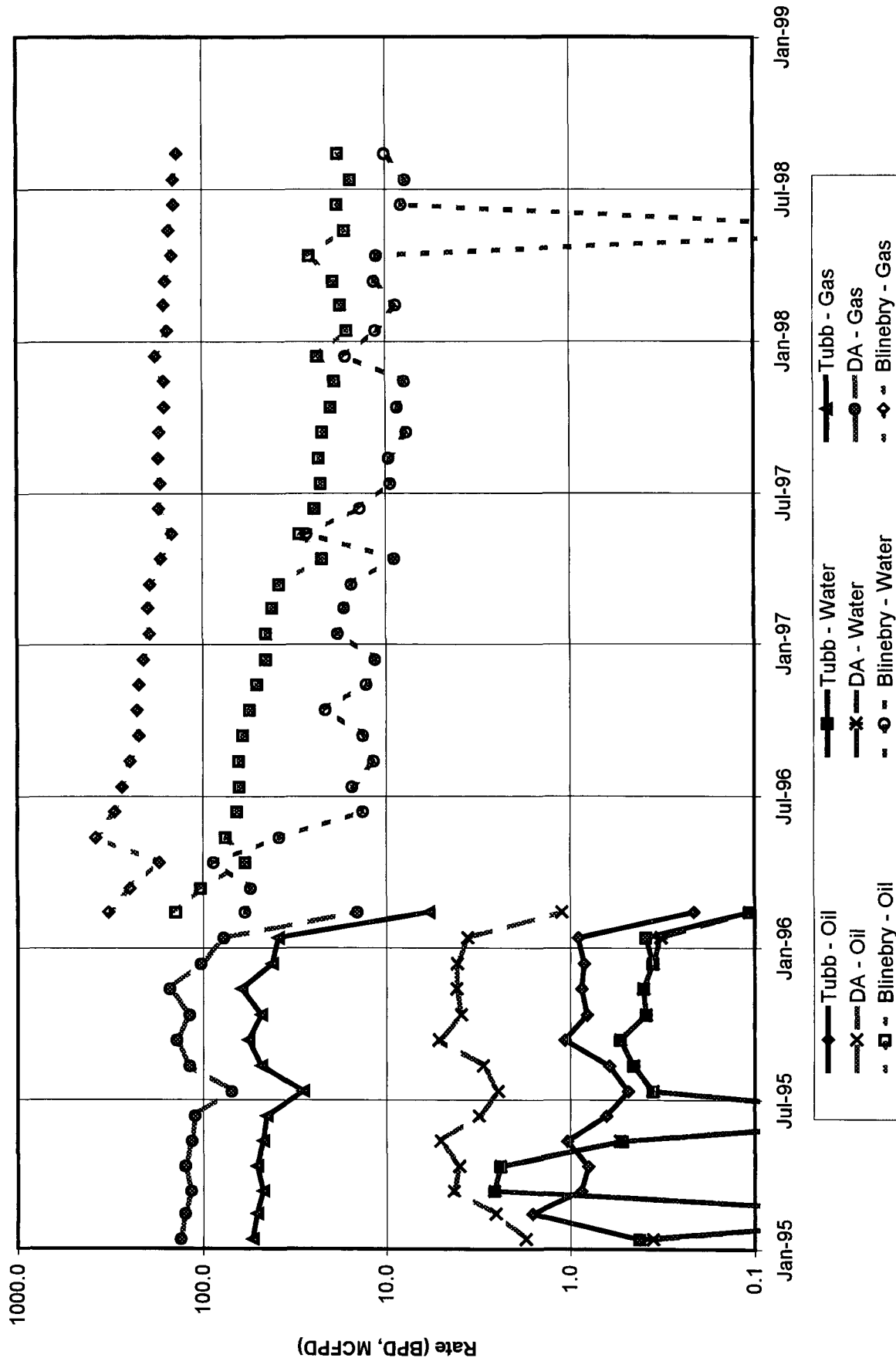
Thomas P. Kacir Production Engineer

Printed name and title

October 23, 1998 (505) 393-7106

Date Telephone No.

Edith Butler 'B' Well No. 1
UL 'I', Sec 13, T-22-S, R-37-E



| | | | | |
|--|------------------|--|-------------------|---|
| | | | 13 | <div>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Thomas P Kacir</u> Printed Name <u>Thomas P. Kacir</u> Title <u>Production Engineer</u> Date <u>10/23/98</u></div> |
| | | | Dedicated Acreage | |
| | Lease Boundary → | | #1 | <div>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. <u>See Original Plat.</u> Date of Survey _____ Signature and Seal of Professional Surveyer: _____ Certificate Number _____</div> |
| | | | | |

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

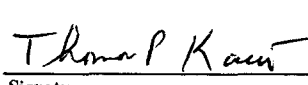
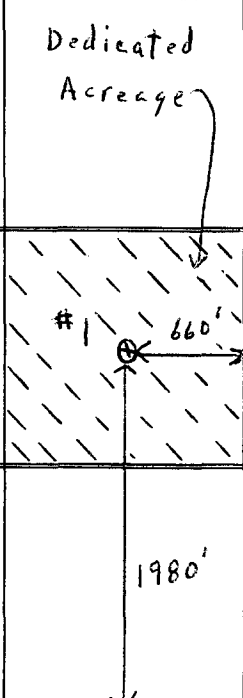
| | | | | | |
|--|--|---|--|---|--|
| ¹ API Number 30-025-10252 | | ² Pool Code 60240 | | ³ Pool Name Tubb Oil & Gas | |
| ⁴ Property Code 6377 | | ⁵ Property Name Edith Butler "B" | | | ⁶ Well Number 1 |
| ⁷ OGRID No. 014021 | | ⁸ Operator Name Marathon Oil Company | | | ⁹ Elevation GL: 3326' |

| 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 |
| I | 13 | 22-S | 37-E | | 1980 | South | 660 | East | 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 No | ¹⁴ Consolidation Code NA | ¹⁵ Order No. NA |
|--|--|---|--------------------------------------|

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> | |
| | | | |  Signature Thomas P. Kacir Printed Name Production Engineer Title 10/26/98 Date | |
| | | | |  | |
| | | | | ¹⁸ SURVEYOR CERTIFICATION <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> See Original Plat. 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

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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 30-025-10252 | ² Pool Code 7900 | ³ Pool Name South Brunson Drinkard-Abo |
| ⁴ Property Code 6377 | ⁵ Property Name Edith Butler "B" | |
| ⁷ OGRID No. 014021 | ⁸ Operator Name Marathon Oil Company | |
| | | ⁶ Well Number 1 |
| | | ⁹ Elevation GL: 3326' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|----------------------|-------------------------|----------------------|----------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------|
| UL or lot no. I | Section 13 | Township 22-S | Range 37-E | Lot. Idn | Feet from the 1980 | North/South Line South | Feet from the 660 | East/West line East | County 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 No | ¹⁴ Consolidation Code NA | ¹⁵ Order No. NA |
|--|--|---|--------------------------------------|

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <i>Thomas P Kacir</i> Signature </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> Thomas P. Kacir Printed Name </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> Production Engineer Title </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> 10/23/98 Date </div> |
| | | | | Dedicated Acreage | |
| | Lease Boundary → | | #1 660' | | ¹⁸ SURVEYOR CERTIFICATION <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> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> See Original Plat. Date of Survey </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> Signature and Seal of Professional Surveyer: </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> Certificate Number </div> |
| | | | 1980' | | |

DISTRICT I
P.O. Box 1990, Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

X YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Marathon Oil Company PO Box 2490 Hobbs, NM 88240
Operator Address
Edith Butler B 1 UL I, Sec. 13, T-22-S, R-37-E Lea
County
OGRID NO. 014021 Property Code 6377 API NO. 30-025-10252 Spacing Unit Lease Types: (check 1 or more)
Federal State (and/or) Fee X

| The following facts are submitted in support of downhole commingling: | Upper Zone | Intermediate Zones | Lower Zone |
|---|----------------------------------|-------------------------------------|--------------------------------------|
| 1. Pool Name and Pool Code | Blinebry Oil & Gas 6660 | Tubb Oil & Gas 60240 | Brunson; Drinkard-Abo South 9700 |
| 2. Top and Bottom of Pay Section (Perforations) | 5482 - 5840' | 6040 - 6202' | 6306 - 6548' |
| 3. Type of production (Oil or Gas) | Oil | Oil | Oil |
| 4. Method of Production (Flowing or Artificial Lift) | Artificial Lift | Artificial Lift | Artificial Lift |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original | a. (Current) 300 | a. 350 | a. 500 |
| | b. (Original) -- | b. -- | b. -- |
| 6. Oil Gravity (° API) or Gas BTU Content | 37 API | 37 API | 41 API |
| 7. Producing or Shut-In? | Producing | Shut-In | Shut-In |
| Production Marginal? (yes or no) • If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data • If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Yes | Yes | Yes |
| | Date: Rates: N/A | Date: 12/18/95 Rates: 1.2/48/0.5 | Date: 12/18/95 Rates: 5.8/117/0.5 |
| | Date: 9/4/98 Rates: 10/145/10 | Date: Rates: N/A | Date: Rates: N/A |
| 8. Fixed Percentage Allocation Formula - % for each zone | Oil: 74.1 % Gas: 46.8% | Oil: 4.4 % Gas: 15.5 % | Oil: 21.5 % Gas: 37.7% |

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? X Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes No

11. Will cross-flow occur? X Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. X Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes No

13. Will the value of production be decreased by commingling? Yes X No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No

15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S).

16. ATTACHMENTS:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Thomas P. Kacir Thomas P. Kacir TITLE Production Engineer DATE 10/23/98

TYPE OR PRINT NAME TELEPHONE NO. (505) 393-7106

DHC-1048



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

11/2/98

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 X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Marathon Oil Co Edith Butler B# 1-I-13-225-37e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Recommend approval

Yours very truly,

Chris Williams
Supervisor, District 1

/ed