

26441539

AMEND DHC -2786

10/10/00

Mid-Continent Region  
Production United States

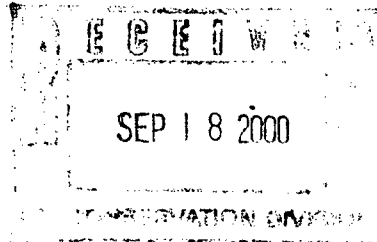


**Marathon  
Oil Company**

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

9-14-00

Mr. David Catanach  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, N.M. 87501



Re: DHC percentage allocation.

Dear Mr. Catanach,

Enclosed is some pertinent data to support the percentage allocations for the Jicarilla Apache # 3, 12, 16. I have attached all previous data for each of the above mentioned wells. I think this data will satisfy the allocation request.

If additional information is needed, please contact me at (915) 687-8357

Regards,

Jerry Fletcher  
915-687-8357  
Engineer Tech



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2786

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

Attention: Mr. Jerry Fletcher

*Jicarilla Apache No. 12  
API No. 30-039-20002  
Unit A, Section 33, Township 26 North, Range 5 West, NMPM,  
Rio Arriba County, New Mexico.  
Blanco-Mesaverde (Prorated Gas – 72319),  
Basin-Dakota (Prorated Gas – 71599) and  
Otero-Chacra (Gas – 82329) Pools*

Dear Mr. Fletcher:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

RECEIVED

AUG 11 2000

Oil Conservation Division \* 2040 South Pacheco Street \* Santa Fe, New Mexico 87505

Phone: (505) 827-7131 \* Fax (505) 827-8177 \* <http://www.emnrd.state.nm.us>

MARATHON OIL COMPANY  
MCR LAND DEPARTMENT

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 7th day of August, 2000.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Aztec  
Bureau of Land Management-Farmington

Submit 2 copies to Appropriate District Office.

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-116  
Revised 1/1/89

## OIL CONSERVATION DIVISION

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

2040 Pacheco St.  
Santa Fe, NM 87505

### GAS - OIL RATIO TEST

Operator <b>Marathon Oil Company</b>		Pool <b>Basin Dakota</b>		County <b>Rio Arriba</b>												
Address <b>P.O. Box 552 Midland, TX 79702</b>		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>		Completion <input type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	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.	GRAV. OIL	OIL BBL.		GAS M.C.F.
<b>Jicarilla Apache</b>	<b># 12</b>	<b>"A"</b>	<b>33</b>	<b>26-N</b>	<b>5-W</b>	<b>8-08-00</b>	<b>F</b>		<b>65</b>		<b>24</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>140</b>	<b>N/A</b>

#### 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.

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

Signature

*Jerry Fletcher*

Printed name and title

**Jerry Fletcher**

Date **8-14-00** Telephone No. **915-687-8357**

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-116  
Revised 1/1/89

OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

GAS - OIL RATIO TEST

Operator <b>Marathon Oil Company</b>		Pool <b>Blanco Mesa Verde</b>				County <b>Rio Arriba</b>									
Address <b>P.O. Box 552 Midland, TX 79702</b>		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>							
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	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.
<b>Jicarilla Apache</b>	<b># 12</b>	<b>"A"</b>	<b>33</b>	<b>26-N</b>	<b>5-W</b>	<b>8-10-00</b>	<b>F</b>	<b>65</b>		<b>24</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>130</b>	<b>N/A</b>

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.

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

Signature *Jerry Fletcher*

Jerry Fletcher

Printed name and title

Date 8-14-00

915-687-8357

Date 8-14-00 Telephone No. 915-687-8357

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

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State of New Mexico  
Energy, Minerals and Natural Resources Department

2040 Pacheco St.  
Santa Fe, NM 87505

OIL CONSERVATION DIVISION

Form C-116  
Revised 1/1/89

GAS - OIL RATIO TEST

Operator <b>Marathon Oil Company</b>		Pool <b>Otera Chacra</b>		County <b>Rio Arriba</b>												
Address <b>P.O. Box 552 Midland, TX 79702</b>		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	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.	GRAV. OIL	OIL BBL.		GAS M.C.F.
<b>Jicarilla Apache</b>	<b># 12</b>	<b>"A"</b>	<b>33</b>	<b>26-N</b>	<b>5-W</b>	<b>8-12-00</b>	<b>F</b>		<b>65</b>		<b>24</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>160</b>	<b>N/A</b>

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.

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

Signature  
*Jerry Fletcher*

Printed name and title  
**Jerry Fletcher**

Date  
**8-14-00**

Telephone No.  
**915-687-8357**

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



Subject	Jicarilla Conmingling Allocation Percentages	Page No.	Of
File	-	By	WSL
		Date	9/2/2000

### Jicarilla Apache #3

Pre-workover Otero Chavra production  $\cong 22$  MCFD  $> \frac{22}{110} = 20\%$

Estimated stabilized total rate  $\cong 110$  MCFD

Estimated Blanco South Pictured Cliffs rate  $\cong 88$  MCFD  $> \frac{88}{110} = 80\%$

$$\begin{array}{r} \text{Total} \\ - \text{Chavra} \\ \hline = \text{Pictured Cliffs} \end{array} = \frac{110 - 22}{88}$$

### Jicarilla Apache #12

Pre-workover Basin Dakota production  $\cong 140$  MCFD  $> \frac{140}{430} = 32.56\%$

Pre-workover Blanco Mesavade production  $\cong 30$  MCFD  $> \frac{130}{430} = 30.23\%$   
+ estimated Mewee addition of 100 MCFD

Estimated stabilized total rate  $\cong 430$  MCFD

Estimated Otero Chavra rate  $\cong 160$  MCFD  $> \frac{160}{430} = 37.21\%$

$$\begin{array}{r} \text{Total} \\ - \text{Mesavade} \\ - \text{Dakota} \\ \hline = \text{Chavra} \end{array} = \frac{430 - 130 - 140}{160}$$

### Jicarilla Apache #16

Pre-workover Basin Dakota production  $\cong 85$  MCFD  $\frac{85}{370} = 22.97\%$

Pre-workover Blanco Mesavade production  $\cong 50$  MCFD  $> \frac{125}{370} = 33.78\%$   
+ estimated Mewee addition of 75 MCFD

Estimated stabilized total rate  $\cong 370$  MCFD

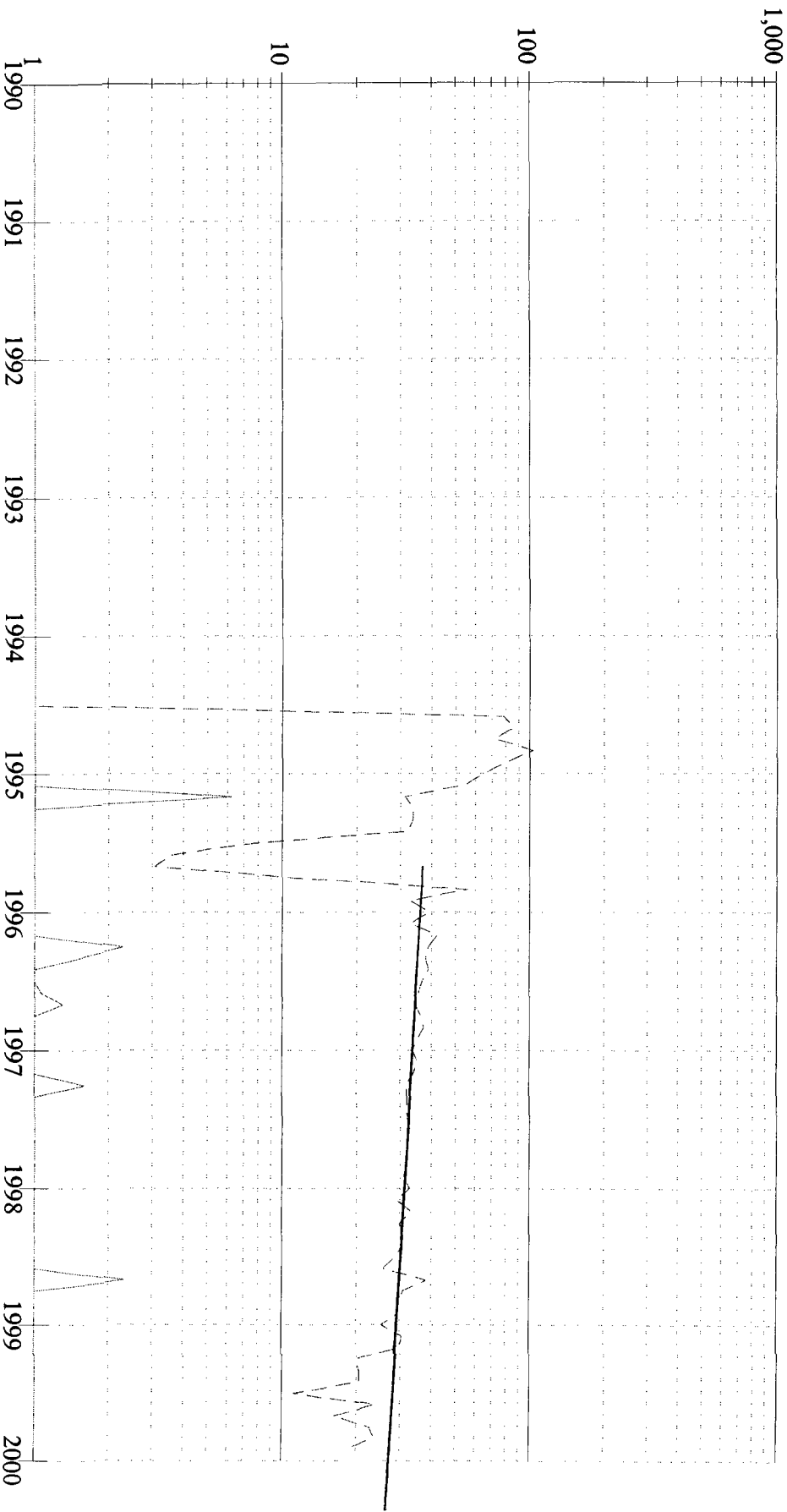
Estimated Otero Chavra rate  $\cong 160$  MCFD  $> \frac{160}{370} = 43.25\%$

$$\begin{array}{r} \text{Total} \\ - \text{Mesavade} \\ - \text{Dakota} \\ \hline = \text{Chavra} \end{array} = \frac{370 - 125 - 85}{160}$$

# BBI/Day or Mcf/Day

Oil  
Gas  
Water  
Wells

Field: BLANCO  
Lease: JICARILLA APACHE | Well #12  
Operator: MARATHON OIL COMPANY  
Production Rate vs Time  
For the Period 01/1990 to 12/1999 | API: 30039200020000



Reported Oil Production = 899 Bbls  
Reported Gas Production = 66,818 Mcf  
Reported Water Production = 148 Bbls

Time

Oil

Gas

Water

Wells

Field: BASIN

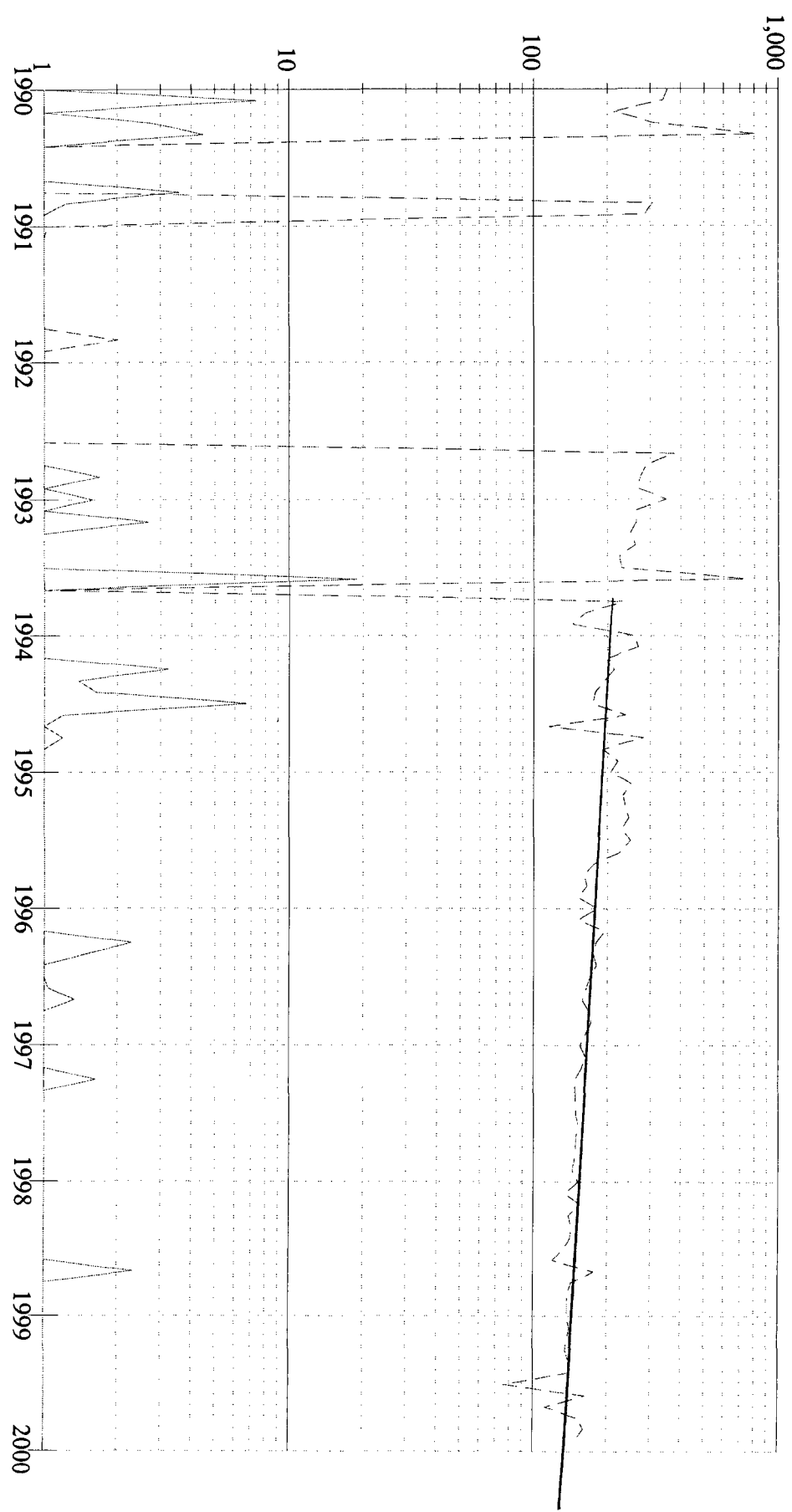
Lease: JICARILLA APACHE | Well #12

Operator: MARATHON OIL COMPANY

Production Rate vs Time

For the Period 01/1990 to 12/1999 | API: 30039200020000

# BBI/Day or Mcf/Day

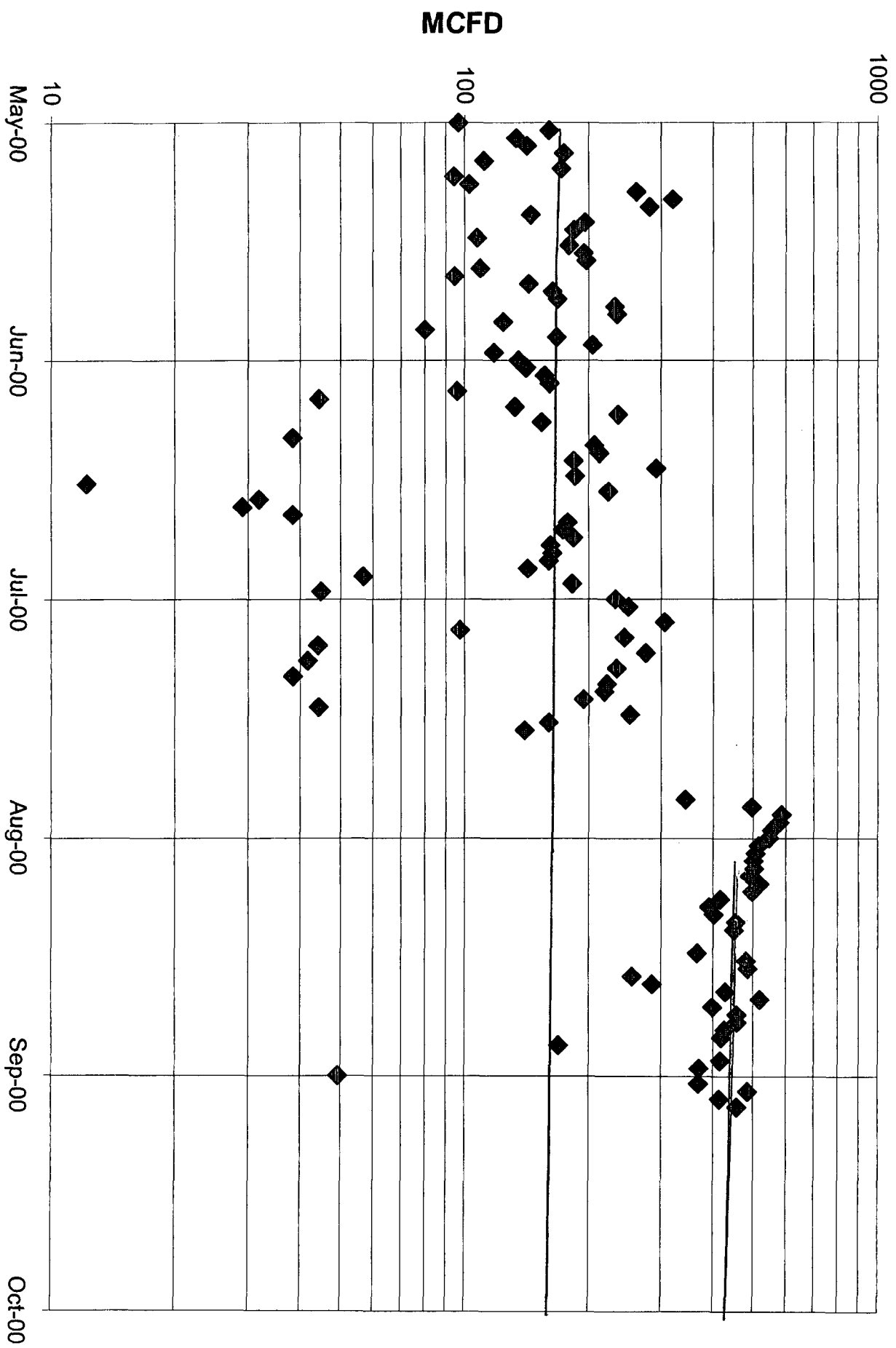


Reported Oil Production = 17,893 Bbls

Reported Gas Production = 2,250,637 Mcf

Reported Water Production = 1,502 Bbls

# Jicarilla Apache #12



Mid-Continent Region  
Production United States



**Marathon  
Oil Company**

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

Mr. David Catanach  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, N.M. 87501

Re: Production data

Dear Mr. Catanach,

As per our phone conversation on 7-19-00 the fixed allocation percentage will be submitted after testing each zone.

Thanks for all your help in this matter.

Regards,

Jerry Fletcher  
915-687-8357