

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

*ADMINISTRATIVE ORDER DHC-830*

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

Attention: Steven P. Guidry

*Pioneer Federal Com Well No. 1  
Unit G, Section 19, Township 21 South, Range 27 East, NMPM,  
Eddy County, New Mexico.  
Wildcat Strawn and Undesignated La Huerta Atoka Gas Pools*

Dear Mr. Guidry:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 80 barrels per day, and total water production shall not exceed 160 barrels per day. 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 Southeast Gas Proration Schedule.

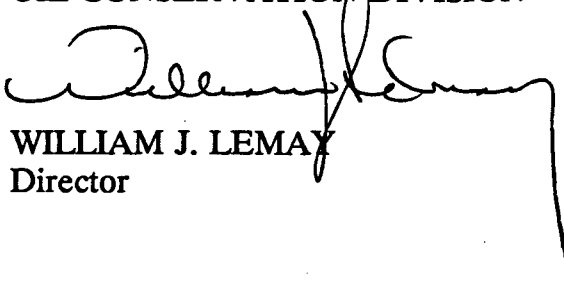
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Strawn Pool:	Oil 90%,	Gas 82.8%
Atoka Pool:	Oil 10%,	Gas 17.2%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 13th day of December, 1991.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

cc: Oil Conservation Division - Artesia  
U.S. BLM - Carlsbad

jc\



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SANTA FE, NEW MEXICO 87504  
(505) 827-5800

December 5, 1991

Marathon Oil Company  
P.O. Box 2409  
Hobbs, NM 88241

Attention: Steven P. Guidry, Area Superintendent

*RE: Pioneer Federal Com Well  
No. 1; G-19-T21S-R27E,  
Eddy County, New Mexico.*

Dear Mr. Guidry:

The Division has received your downhole commingling application dated November 4, 1991 and will be acting upon shortly. However, I have yet to receive an application for the unorthodox location of both the Atoka and Strawn intervals. My investigation into this matter has also turned up Wolfcamp production in the month of August, 1991. The current order for the well (NSL-1781) converted only the Morrow Gas production. I would strongly suggest your application be worded to include all three intervals. I will also point out that technically without this authorization your production is illegal and your well is subject to shut-in.

What is the history of the reported Wolfcamp production for one day in February, 1991 and one day in August, 1991? It was erroneously reported as North Burton-Flat Wolfcamp Gas Pool production. It should have been reported and shall be corrected by way of an amended C-115 to read Undesignated East Carlsbad Wolfcamp Gas Pool.

A final item has to do with your current and future reporting of production as being from the La Huerta Strawn Gas Pool and/or La Huerta Atoka Gas Pool. The N/2 of Section 19 is adjacent to the La Huerta Atoka Gas Pool and, unless otherwise advised by the OCD Artesia District Office, should be reported as such. There are no Strawn gas pools within one mile of the spacing unit, but there are four Strawn gas pools within two miles. Pursuant to Division General Rule 104.A, the Strawn formation is considered wildcat and should be reported as such until the Artesia District Office either places the well in one of the existing pools or creates a new one.

Marathon Oil Company  
Attention: Steven P. Guidry  
December 5, 1991  
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Once the downhole commingling order is issued, please submit amended C-115s indicating the correct allocation of volumes to the appropriate intervals.

Again, please submit your application for the unorthodox location of this well in the Wolfcamp, Strawn and Atoka formations pursuant to the requirements in General Rule 104.F(3) as soon as possible.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,



Michael E. Stogner  
Chief Hearing Examiner/Engineer

MES/ag

cc: Oil Conservation Division - Artesia  
US Bureau of Land Management - Carlsbad  
Oil Conservation Division - Santa Fe: David Catanach  
Sarah Archuleta