

OIL CONSERVATION DIVISION
RECEIVED



**Marathon
Oil Company**

AUG 3 AM 8 50

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

August 1, 1994

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. Lemay

RE: Application for Administrative
Approval for Simultaneous Dedication
McGrail State Well No. 3
Unit K, 1880' FSL & 1980' FWL
Section 26, T-19-S, R-36-E
Eumont Yates-Seven Rivers-Queen Pool
Lea County, New Mexico

Gentlemen:

Marathon Oil Company respectfully requests Administrative approval of our application for simultaneous dedication of Eumont Gas production from the McGrail State Well No. 3 (to be drilled and completed in August, 1994) with the McGrail State Well No. 1 in our McGrail State lease. The McGrail State lease is a non-standard 80-acre proration unit comprising the E/2 SW/4 of Section 26, T-19-S, R-36-E, Lea County, New Mexico.

In support of this application, please find attached plats outlining the Gas Proration Unit.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Meftah Tiss'.

Meftah Tiss

cc: Mr. Jerry Sexton
District I
State of New Mexico
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

MT065.sk

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name McGRAIL STATE	Well Number # 3
OGRID No.	Operator Name MARATHON OIL Co.	Elevation 3674.

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	26	19 S	36 E		1880	SOUTH	1980	WEST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	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

<p>16</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
	<p>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>NEW MEXICO March 16 1994 Date Surveyed 7977 Signature & Seal of Professional Surveyor</p> <p><i>[Signature]</i></p>	
	<p>W.O. Num. 94-11-0497</p>	
	<p>Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 3239 GARY L. JONES, 7977</p>	

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 751
ORDER NO. R-534

THE APPLICATION OF THE OHIO OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 80 CONTIGUOUS ACRES
CONSISTING OF THE E/2 SW/4 OF SECTION 26,
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM,
LEA COUNTY, NEW MEXICO IN WHAT IS NOW
DELINEATED AS THE EUMONT GAS POOL UNDER
THE PROVISIONS OF ORDER R-520; AND FOR
APPROVAL OF RECOMPLETION OF THE OHIO
OIL COMPANY'S STATE McGRAIL WELL NO. 1
IN SAID UNIT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on August 18, 1954 at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 4th day of October, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-370-A and Order R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, the Ohio Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SW/4 of Section 26

containing 80 acres, more or less.

(4) That applicant, the Ohio Oil Company, has a well on the aforesaid lease known as the State McGrail No. 1 located 660' from the South line and 1980' from the West line of Section 26, Township 19 South, Range 36 East.

(5) That the aforesaid well was completed as an oil well in the Eunice-Monument Oil Pool and was in production prior to January 1, 1954, the effective date of Order No. R-370-A, and authority is sought to recomplate the well within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool; that recompletion of the said well in the Eumont Gas Pool will be in the interests of conservation and the prevention of economic waste.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the SW/4 Section 26, Township 19 South, Range 36 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of the Ohio Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SW/4 of Section 26

is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created and approved.

(2) That the applicant be and it is hereby given permission to recomplate its State McGrail Well No. 1 in the Eumont Gas Pool.

(3) That applicant's well, State McGrail Well No. 1 located in the SE/4 SW/4 of Section 26, Township 19 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 80 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

S / EDWIN L. MECHEM, Chairman

S/ E. S. WALKER, Member

S/ W. B. MACEY, Secretary and Member

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