



**Marathon  
Oil Company**

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

March 6, 1992

State of New Mexico  
Oil Conservation Division  
P.O. Box 2083  
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. Lemay, Director

RE: Application for Lease Production Commingling  
Johnson "A" Federal Lease, NW/4 and SE/4 of  
Section 10, T-18-S, R-31-E  
Eddy County, New Mexico

Johnson "B" Federal A/C 1 Lease, NW/4, E/2 SW/4 and W/2 SE/4 of  
Section 11, T-18-S, R-31-E  
Eddy County, New Mexico

Johnson "B" Federal A/C 2 Lease, NW/4 and SW/4  
Section 15, T-18-S, R-31-E  
Eddy County, New Mexico

Dear Mr. Lemay,

Marathon Oil Company respectfully requests that the State of New Mexico Oil Conservation Division grant administrative approval for surface production commingling in the above referenced leases. Approval of this request would allow Marathon Oil Company to produce Well No. 4 in the Johnson "A" Federal Lease and Well No. 2 in the Johnson "B" Federal A/C 2 Lease to a Common Stock Tank Battery located at Well No. 2 in the Johnson "B" Federal A/C 1 Lease.

The production for all wells would be from the Grayburg Sand Pool in which Marathon has a 100% interest to depth of 5,500'. Attached, please find a lease commingling plat, production facility schematic, names and addresses of interest owners for both the above referenced leases. Should you require additional information concerning this request, please feel free to contact me at (505) 393-7106. Your cooperation in this matter is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads 'S. P. Guidry'.

S. P. Guidry  
Operations Superintendent

Enclosure

SPG/RDG/021.274/sk

JOHNSON "A" FEDERAL LEASE - (320 ACRES)

INTEREST OWNERS  
NAMES AND ADDRESSES  
FEDERAL LEASE NO. LC-029388-C

INTEREST OWNERS

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

Net Working Interest: 100.00%  
Net Revenue Interest: 87.5%

U. S. Department of the Interior  
Bureau of Land Management  
Carlsbad Resource Area  
P. O. Box 1778  
Carlsbad, New Mexico 88240

Net Working Interest: 0%  
Net Revenue Interest: 12.5%

JOHNSON "B" FEDERAL A/C 1 LEASE - (320 ACRES)

INTEREST OWNERS  
NAMES AND ADDRESSES  
FEDERAL LEASE NO. LC-029388-D

INTEREST OWNERS

Marathon Oil Company	Net Working Interest:	100.00%
P. O. Box 552	Net Revenue Interest:	87.5%
Midland, Texas 79702		

U. S. Department of the Interior		
Bureau of Land Management	Net Working Interest:	0%
Carlsbad Resource Area	Net Revenue Interest:	12.5%
P. O. Box 1778		
Carlsbad, New Mexico 88240		

JOHNSON "B" FEDERAL A/C 2 LEASE - (320 ACRES)

INTEREST OWNERS  
NAMES AND ADDRESSES  
FEDERAL LEASE NO. LC-029388-D

INTEREST OWNERS

Marathon Oil Company	Net Working Interest:	100.00%
P. O. Box 552	Net Revenue Interest:	87.5%
Midland, Texas 79702		

U. S. Department of the Interior		
Bureau of Land Management	Net Working Interest:	0%
Carlsbad Resource Area	Net Revenue Interest:	12.5%
P. O. Box 1778		
Carlsbad, New Mexico 88240		

MARATHON OIL COMPANY  
WELLS IN LEASE COMMINGLING

Johnson "A" Federal Well No. 4  
1,980' FSL and 660' FEL  
Section 10, T-18-S, R-31-E  
Eddy County, New Mexico

Grayburg Sand Producer  
Perf'd: 3,900'-4,050'

Johnson "B" Federal A/C 1 Well No. 2  
1,980' FNL and 660' FWL  
Section 11, T-18-S, R-31-E  
Eddy County, New Mexico

Grayburg Sand Producer  
Perf'd: 4,021'-4,186'

Johnson "B" Federal A/C 1 Well No. 11  
2,060' FWL and 2,310' FNL  
Section 11, T-18-S, R-31-E  
Eddy County, New Mexico

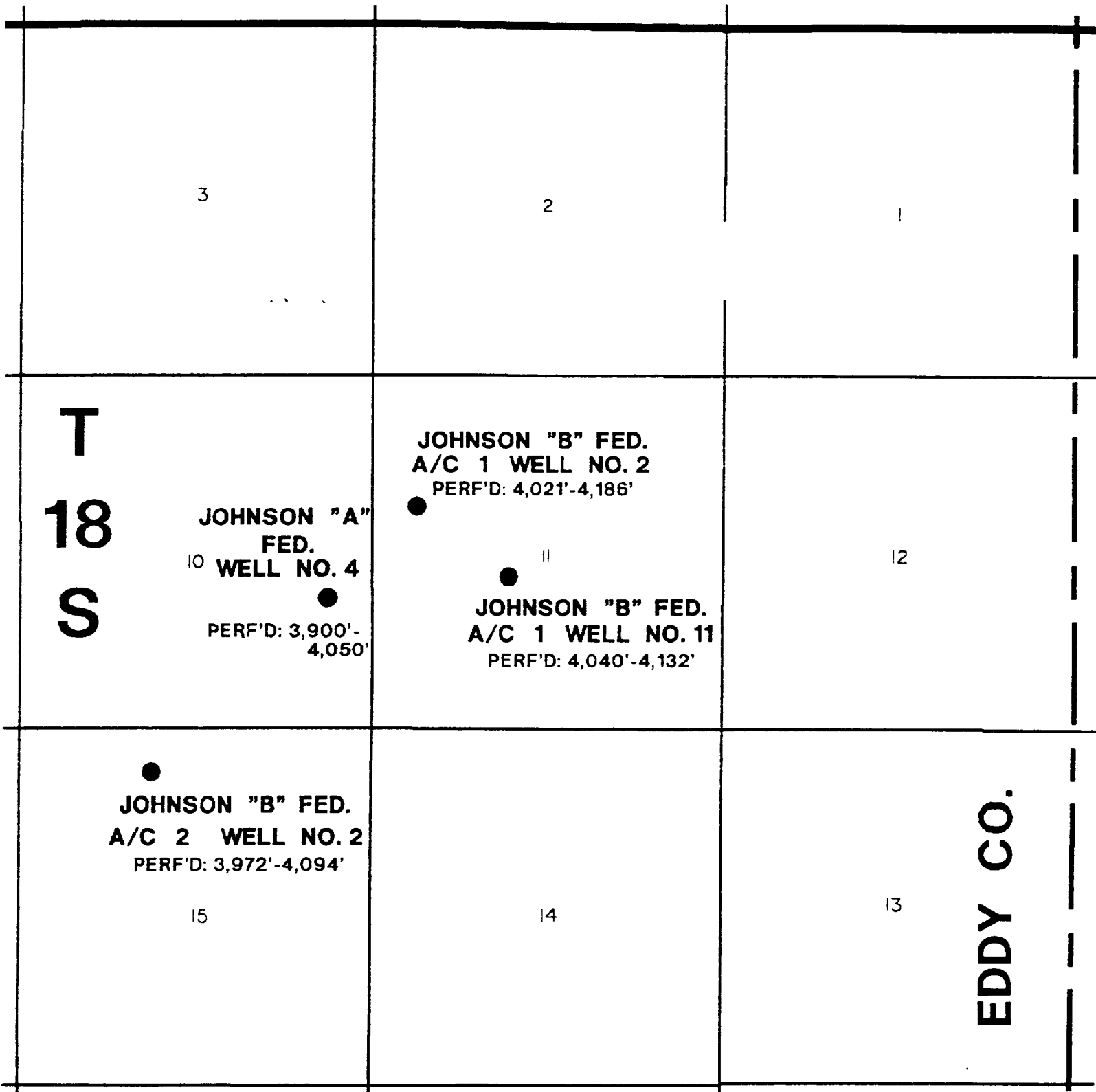
Grayburg Sand Producer  
Perf'd: 4,040'-4,132'

Johnson "B" Federal A/C 2 Well No. 2  
660' FNL and 1,980' FWL  
Section 15, T-18-S, R-31-E  
Eddy County, New Mexico

Grayburg Sand Producer  
Perf'd: 3,972'-4,094'

NOTE: Perforations are at various depths between the indicated upper and lower perforation intervals.

R 31 E

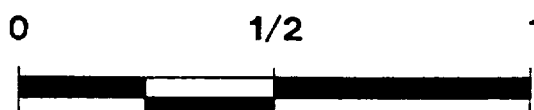


NOTE: PERFORATIONS ARE AT  
VARIOUS DEPTHS BETWEEN THE  
INDICATED UPPER AND LOWER  
PERFORATION INTERVALS

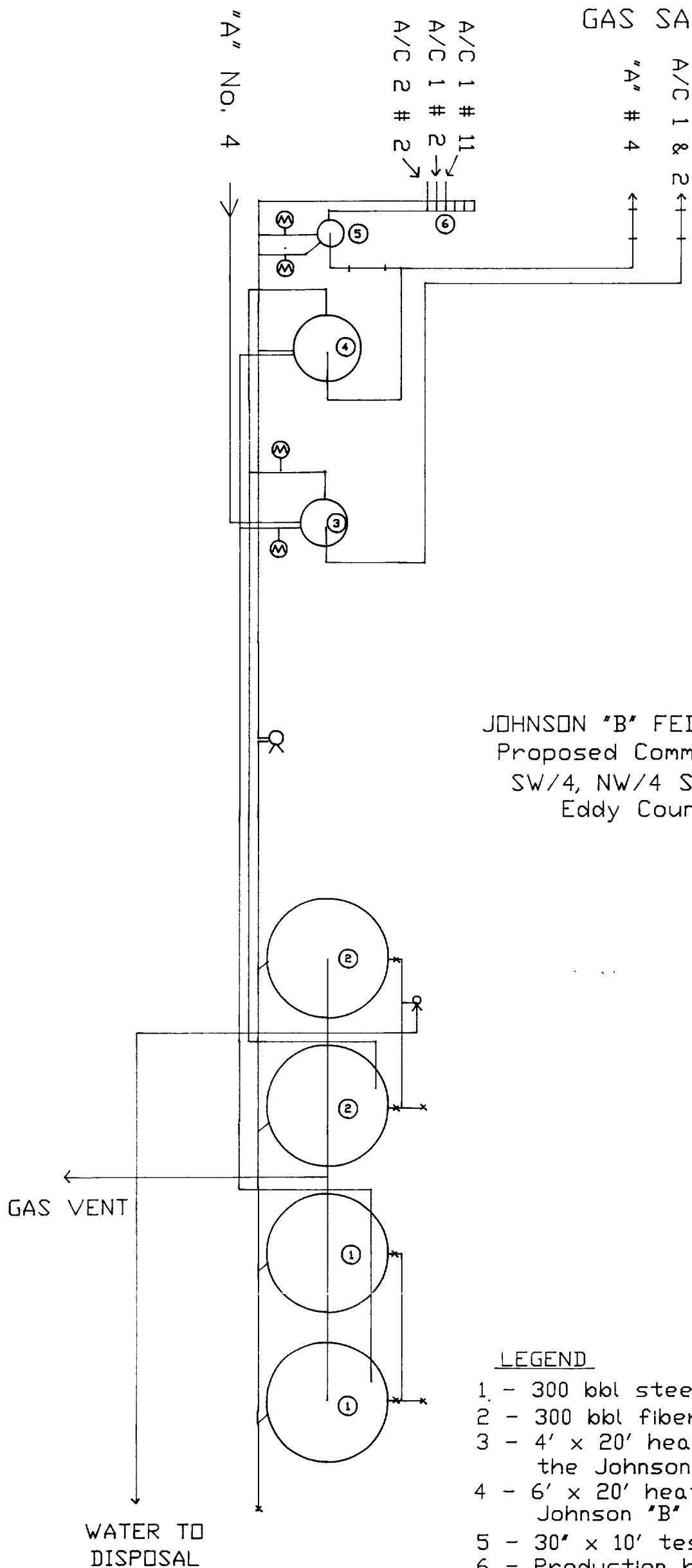
MARATHON OIL COMPANY  
MID-CONTINENT REGION

SHUGART  
EDDY COUNTY, NEW MEXICO

WELLS IN LEASE COMMINGLING  
(GRAYBURG SAND PRODUCERS)



MILE



JOHNSON "B" FEDERAL A/C 1 BATTERY  
Proposed Commingling of Batteries  
SW/4, NW/4 Sec. 11, T-18S, R-31E  
Eddy County, New Mexico

#### LEGEND

- 1. - 300 bbl steel oil tank
- 2 - 300 bbl fiberglass water tank
- 3 - 4' x 20' heater treater for the Johnson "A" Fed. Lse
- 4 - 6' x 20' heater treater for the Johnson "B" Fed. A/C's 1 & 2
- 5 - 30" x 10' test vessel
- 6 - Production header