

Mid-Continent Region
Production Unit
Oil Conservation Division
P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626



11/23/92 10:59
P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

November 23, 1992

State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
310 Old Santa Fe Trail
P. O. Box 2088 RM 206
Santa Fe, New Mexico 87504

Attn: Mr. David Catanach

Re: Application for Lease Production Commingling
Warn St. A/C 2 Well Nos. 8, 9, 10, 11

Dear Mr. Catanach:

Marathon Oil Company requests that the State Land Office grant administrative approval for the surface production commingling in the referenced lease. Approval of this request will allow Marathon to produce the referenced wells to a common stock tank battery to be located in Unit N of Section 6, TWP 18-S, RNG 35-E, Lea County, New Mexico.

The production from 8, 9, and 10 will continue to be from the Vacuum (ABO) pool, while production from #11 will be from the Vacuum (Drinkard) pool. Ownership and royalty interest for all three wells are identical and test facilities are in place to allocate production. Quality of production from neither pool will be affected when they have been commingled.

Please find attached a Commingle Pre-Application, names and addresses of interest owners in the referenced lease, product data, well descriptions and a lease plot showing relative well locations. Also a copy of the approval from the New Mexico Commissioner of Public Lands is attached.

Should you require additional information concerning this request, please feel free to contact me at 915/682-1626. Your cooperation in this matter is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads 'Tom Price'.

T. M. Price
Advanced Engineering Tech

48-102-1
#9-M
H
B

cc; Jerry Sexton, OCD, Hobbs
S. P. Guidry
R. A. Biernbaum



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

November 12, 1992

Marathon Oil Company
Attn: Mr. Thomas M. Price
P. O. Box 552
Midland, Texas 79702

Re: Surface Commingling Application
Warn St. A/C Well Nos. 8, 9, 10, 11
Section 6-18S-35E
State Lease No. B-1113
Lea County, New Mexico

Dear Mr. Price:

This office is in receipt of your letter of October 23, 1992 wherein you have requested our approval to surface commingle the production from the Warn St. A/C 2 Well Nos. 8, 9, 10, and 11 at the Warn St. A/C 2 Abo Battery located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 6-18S-35E.

It is our understanding that the Well Nos. 8, 9 and 10 are producing from the Vacuum Abo pool and the Well No. 11 is producing from the Vacuum Drinkard pool and commingling the two zones will not affect the quality of production from both pools.

Since the ownership and royalty interests are all identical and since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling of the above mentioned wells is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791. Your Thirty (\$30.00) Dollar filing fee has been received.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
OCD

Mid-Continent Region
Production United States



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

November 6, 1992

State of New Mexico
Commissioner of Public Land
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Attn: Floyd O. Prando

RE: Application of Lease Commingling
Warn St. A/C 2 Wells 8, 9, 10, 11

Dear Mr. Prando:

Please find enclosed a check for \$30.00. This will cover the filing fee referenced in your letter of 11/04/92. I was not aware of the filing fee when making the original application. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas M. Price'.

Thomas M. Price
Advanced Engineering Technician

Mid-Continent Region
Production United States

OIL CONSERVATION DIVISION

PO Box 552

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



**Marathon
Oil Company**

October 23, 1992

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87501

Attn: Mr. Bill Lemay

Re: Application for Lease Production Commingling
Warn St. A/C 2 Well Nos. 8, 9, 10, 11

Dear Mr. Martinez:

Marathon Oil Company requests that the State Land Office grant administrative approval for the surface production commingling in the referenced lease. Approval of this request will allow Marathon to produce the referenced wells to a common stock tank battery to be located in Unit N of Section 6, TWP 18-S, RNG 35-E, Lea County, New Mexico.

The production from 8, 9, and 10 will continue to be from the Vacuum (ABO) pool, while production from #11 will be from the Vacuum (Drinkard) pool. Ownership and royalty interest for all three wells are identical and test facilities are in place to allocate production. Quality of production from neither pool will be affected when they have been commingled.

Please find attached a Commingle Pre-Application, names and addresses of interest owners in the referenced lease, product data, well descriptions and a lease plot showing relative well locations.

Should you require additional information concerning this request, please feel free to contact me at 915/682-1626. Your cooperation in this matter is greatly appreciated.

Sincerely,

T. M. Price
Advanced Engineering Tech

cc; Jerry Sexton, OCD, Hobbs
S. P. Guidry
R. A. Biernbaum

TMP/seh/92006

COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION T=SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

Commingle production on surface from three (3) ABO wells and one (1) Drinkard well on the Warn ST A/C 2 Lease.

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
8	U.L. N S-6,R-35S,T-35-E	MARATHON OIL CO	874850	ABO
9	U.L. M S-6,R-35S,T-35-E	MARATHON OIL CO	874850	ABO
10	U.L. K S-6,R-35S,T-35-E	MARATHON OIL CO	874850	ABO
11	U.L. L S-6,R-35S,T-35-E	MARATHON OIL CO	874850	DRINKARD

NAME: Thomas M. Price

COMPANY: MARATHON OIL COMPANY

PHONE NUMBER: 915/682-1626

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

WARN ST. A/C 2
ABO BATTERY

<u>POOL</u>	<u>GRAVITY</u>	<u>\$/BO*</u>	<u>\$/MCF</u>	<u>BOPD</u>	<u>MCFPD</u>
Vacuum					
ABO Reef					
Warn St. A/C 2 #8	38.5	\$20.75	\$1.60	12	40
Warn St. A/C 2 #9	38.5	\$20.75	\$1.60	14	45
Warn St. A/C 2 #10**	38.5	\$20.75	\$1.60	0	0
 <u>VACUUM</u>					
Drinkard***					
Warn St. A/C 2 #11	38.0	\$20.75	\$1.60	175	315

* Prices were taken from August 1992 Averages

** Well Currently SI

*** Well Recompleted from ABO Reef to Drinkard

WARN ST. A/C 2 LEASE (320 Acres)
INTEREST OWNERS
NAMES AND ADDRESSES
STATE LEASE #874850

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

Net Working Interest:	100.0%
Net Revenue Interest:	87.5%

New Mexico State Land Office
Commissioner of Public Lands
Santa Fe, New Mexico

Net Working Interest:	0.0%
Net Revenue Interest:	12.5%

MARATHON OIL COMPANY
WELLS IN LEASE PRODUCTION COMMINGLING ABO

Warn St. A/C 2 Well #8
Unit Letter N 330' FSL & 911' FWL
Section 6, RNG 18-S, T-35-E
Lea County, NM

ABO Reef
8676-82, 8686-88,
8692-8702, 8710-14,
8726-30, 8458, 8467,
8482, 8517, 8526, 8528,
8533, 8538, 8544, 8547,
8555, 8562, 8565, 8576,
8589, 8592, 8598, 8609,
8611, 8618, 8623, 8627

Warn St. A/C 2 Well #9
Unit Letter M 913' FWL & 330' FSL
Section 6, RNG 18-S, T-35-E
8524, Lea County, NM

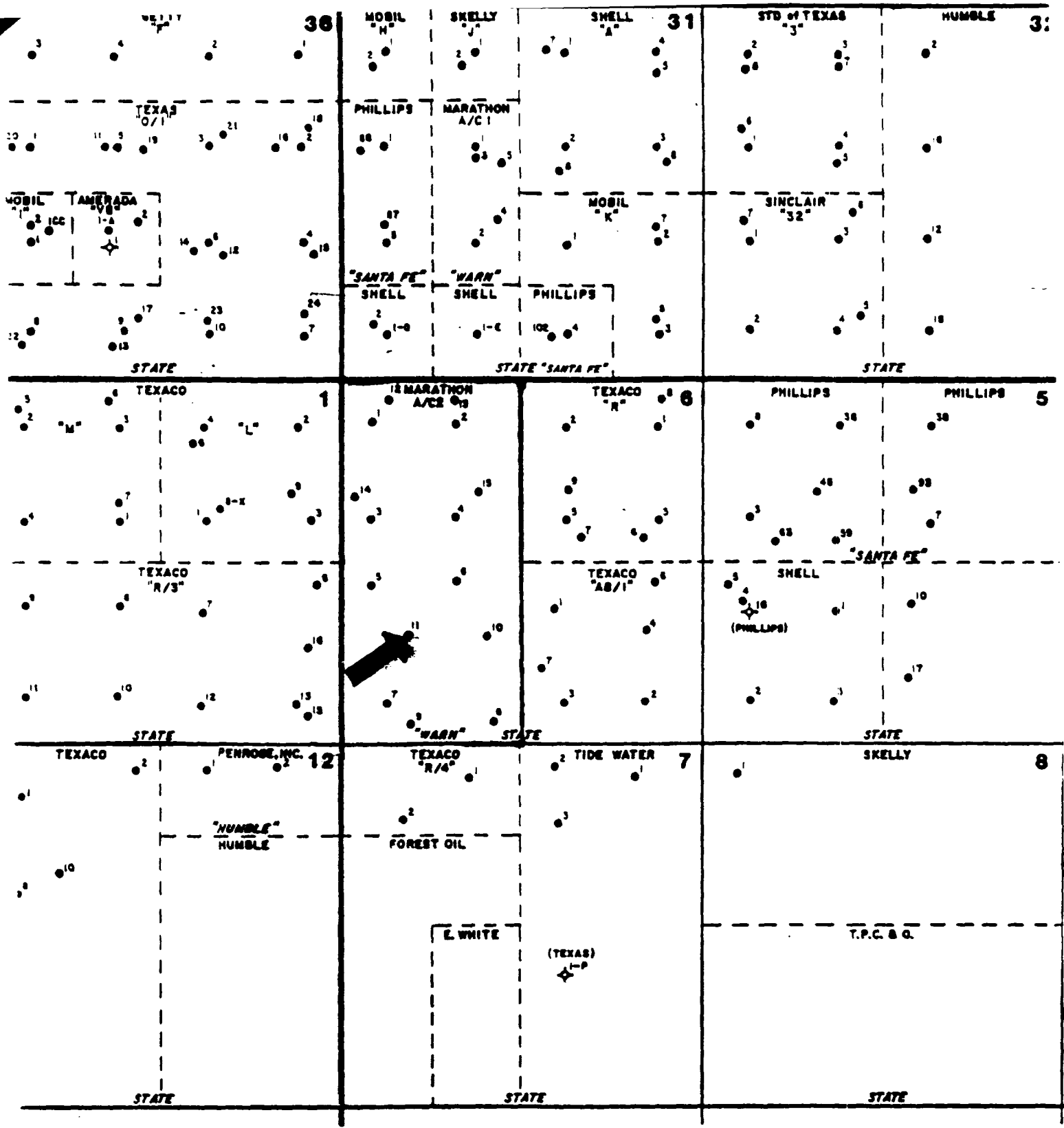
ABO
8636, 48, 50, 63, 67, 83,
8690, 8697, 8699, 8702,
8520, 8518, 8512, 8510,
8507, 8500, 8485, 8483,
8479, 8476, 8467, 8562,
8558, 8554, 8549, 8546,
8534, 8532, 8423

Warn St. A/C 2 Well #10
Unit Letter K 1650' FSL & 2233' FWL
Section 6, R-18-S, T-35-E
Lea County, NM

ABO
8494-95, 8506-07, 8523-24,
8440-41, 8450-51, 8457-58,
8475-76, 8483-84, 8489-
90, 8612-13, 8620-21,
8644-45, 8652-53, 8666-
67, 8670-71, 8674-75,
8713-14, 8639-40, 8658-
59, 8680-81

Warn St. A/C 2 Well #11
Unit Letter L 1650' FSL & 911' FWL
Section 6, RNG 18-S, T-35-E
Lea County, NM

DRINKARD
7630-40, 7644-46, 7653-
62, 7677-88, 7694-99



HOUSTON DIVISION
 MIDLAND DISTRICT
VACUUM FIELD
 LEA COUNTY, NEW MEXICO

17-2000'

SITE SECURITY PLAN

LEASE : Warn State A/C 2 (Abo)

FIELD : Vacuum

OPERATOR : Marathon Oil Company

VERIFICATION OF PRODUCTION

Oil: Well tests (1) and tank gauges (2)(4)

Gas: Metered by Phillips Petroleum Co. (meter testing) (3)

Witnessed by a Marathon representative.

SITE SECURITY

Daily gauging of tanks.

Locking and sealing from point of water or gas separation through sales point.

All openings in piping system locked, sealed, or bullplugged.

Three strand barbwire fencing around battery.

HYDROCARBON PURCHASER/TRANSPORTER

Oil : Texas-New Mexico Pipeline

Gas : Phillips Petroleum Co.

Water: Rice Engineering

COMMINGLING

None

METHOD OF GAUGING SALES

Oil: Tank gauges (2)(4)

Gas: Orifice meter (3)

WITNESS TO SALES OR TRANSFER

Marathon Pumper

METHOD OF DELIVERY

Oil: Pipeline (4)

Gas: Pipeline (3)(5)

RUN TICKET DISPOSITION

Witnessed by Marathon Pumper (4) and mailed to company office.

GAS SALES

Gas Volumes supplied to company office by purchaser. (5)

SITE MONITORING

Site monitored periodically by company representative to check for compliance.

TRAINING PROGRAM

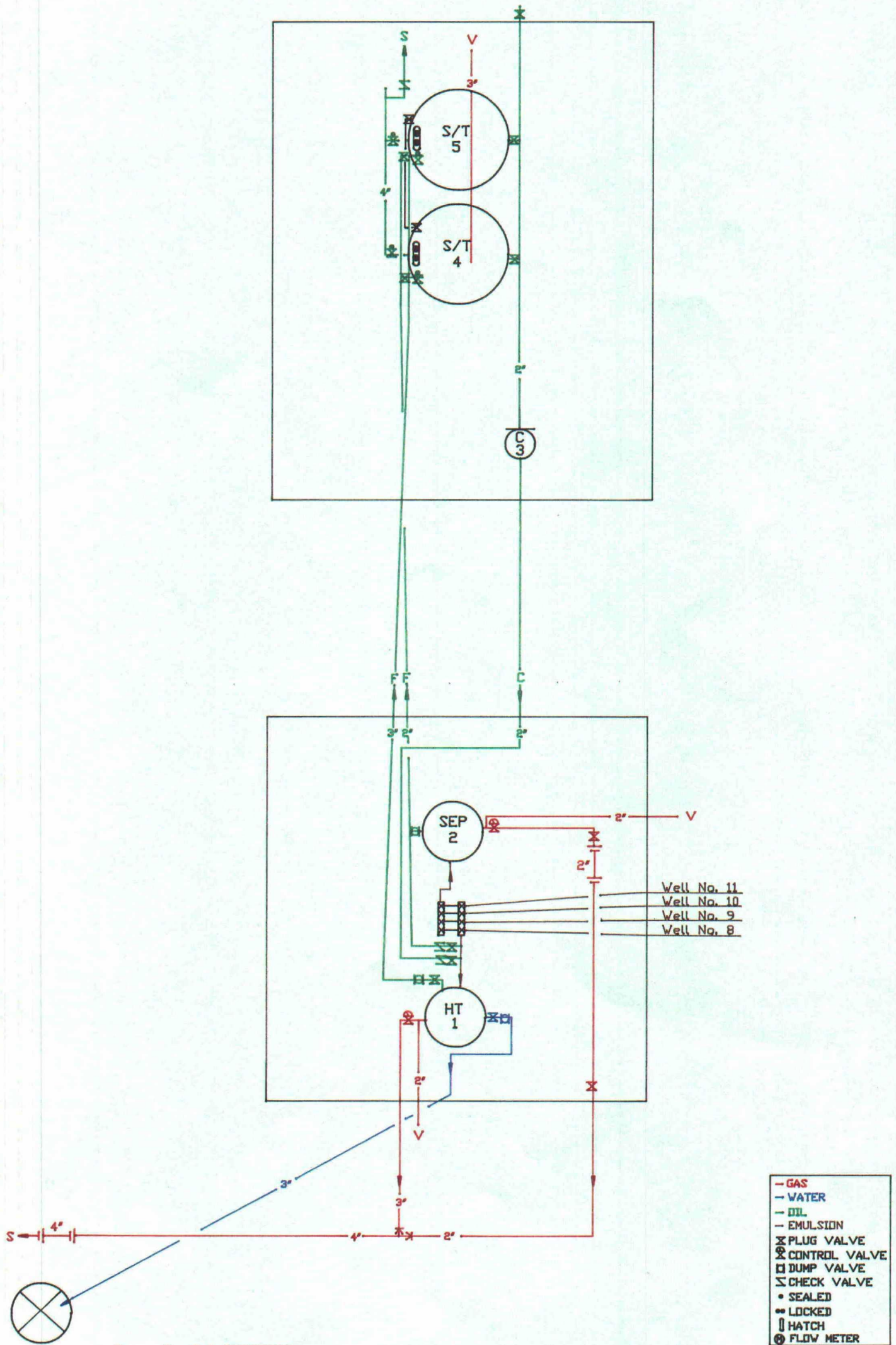
All field personnel have been given instructions on site security.

SITE SECURITY SPECS

- (1) Representative Monthly Well Tests conducted by Marathon Pumper.
- (2) Weekly Tank Gauge, Run Report and End of Month Report prepared by Marathon Pumper.
- (3) Orifice Meter Station Report - Phillips Petroleum Co.
(Includes Gas Settlement and Meter Calibration Report)
- (4) Run Tickets witnessed by Marathon Pumper.
- (5) Gas Volume Statement from Phillips Petroleum Co.

Production Facility Drawing
 Warn State A/C 2 (Abo) Battery
 Vacuum Field, NM
 August 14, 1990

— N —→



Drawn By: R.J. PROSCEND