

NSP 10/18/99

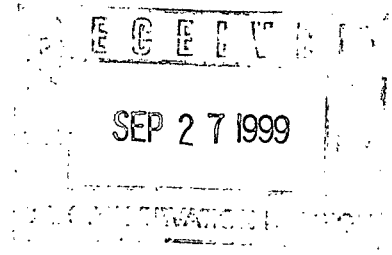
Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

**RE: Request for Exception to Rule 104
Application for Non-Standard Gas Proration Unit
for the Eumont Yates SR-QU Pool
and to Simultaneously Dedicate**



**McGrail State Well No. 1
Unit Letter N, 660' FSL & 1980' FWL
Section 26, T-19-S, R-36-E
Lea County, New Mexico**

**McGrail State Well No. 3
Unit Letter K, 1880' FSL & 1980' FWL
Section 26, T-19-S, R-36-E
Lea County, New Mexico**

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Marathon Oil Company respectfully requests authorization for a 80 acre Non-Standard Gas Proration Unit for the Eumont Yates SR-QU Pool Production. This proposed proration unit will be comprised of the SE & NE portion of the SW/4 of Section 26, T-19-S, R-36-E in Lea County, New Mexico. The gas proration unit and simultaneous dedication will be for:

McGrail State Well No. 1	API No. 30-025-04078
McGrail State Well No. 3	API No. 30-025-32579

The McGrail State Well No. 1 was granted an 80 acre Non-Standard Gas Proration Unit in 1954 (R-534). In 1994 the McGrail State Well No. 3 was drilled and completed in the Eumont. Wells No. 1 & 3 were simultaneously dedicated by Administrative Order SD-94-4. Work on McGrail State Well No. 1 in 1995, made it an oil well in the Eumont and the well was reclassified. At that time McGrail State Well No. 3 was granted a 40 acre Non-Standard Gas Proration Unit (NSP-1732 L).

Marathon Oil Company respectfully requests to reclassify the McGrail State Well No. 1 from an oil to gas well. This is necessary because the well no longer makes any oil. The gas on McGrail State Well No. 1 is meter separately.

Attached is the C-102 showing the locations and footage for the two wells. If you have any questions or have need of additional data, please contact me at (505) 393-7106 ext. 201.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

**OFFSET OPERATORS
McGrail State
SW/4 Section 26,
T-19-S, R-36-E, N.M.P.M.
Lea County, New Mexico
Monument Field**

T-19-S, R-36-E

Section 26:
Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252-2040

Lewis B. Burleson Inc.
P.O. Box 2479
Midland, Texas 79702-2479

Rhombus Operating Co. Ltd.
200 N. Loraine, Ste 1270
Midland, Texas 79701

Chevron USA Production Co.
P.O. Box 1150
Midland, Texas 79702-1150

Section 35:
Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252-2040

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
OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Eumont: Yates, 7 Rivers Queen (Gas)		County Lea									
Address P.O. Box 2490 Hobbs, NM 88240		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>									
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	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	
McGraw Hill State	1	N	26	19	36	8/1/99	F	40	M	24	0	0	6
	1	N	26	19	36	9/1/99	F	40	M	24	0	0	6
	3	K	26	19	36	8/5/99	F	20	M	24	0	0	53
	3	K	26	19	36	9/2/99	F	20	M	24	0	0	53

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.

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

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

Thomas P. Kacir
Signature

Thomas P. Kacir
Printed name and title

Production Engineer

September 24, 1999
Date

393-7106
Telephone No.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04078	² Pool Code 76480	³ Pool Name Eumont, Yates, SR, QU
⁴ Property Code 6440	⁵ Property Name McGrail State	⁶ Well Number 1
⁷ OGRID No. 014021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3678' GL

¹⁰ Surface Location

UL or lot no. N	Section 26	Township 19S	Range 36E	Lot. Idn	Feet from the 660	North/South Line South	Feet from the 1980	East/West line West	County Lea
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¹¹ 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
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¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Thomas P. Kacir Signature Thomas P. Kacir Printed Name Production Engineer Title 9-24-99 Date
				¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

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☐ AMENDED REPORT

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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PO Box 1980, Hobbs, NM 88241-1980
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811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32579		² Pool Code 76480		³ Pool Name Eumont, Yates, SR, QU	
⁴ Property Code 6440		⁵ Property Name McGrail State			⁶ Well Number 3
⁷ OGRID No. 014021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3678' GL

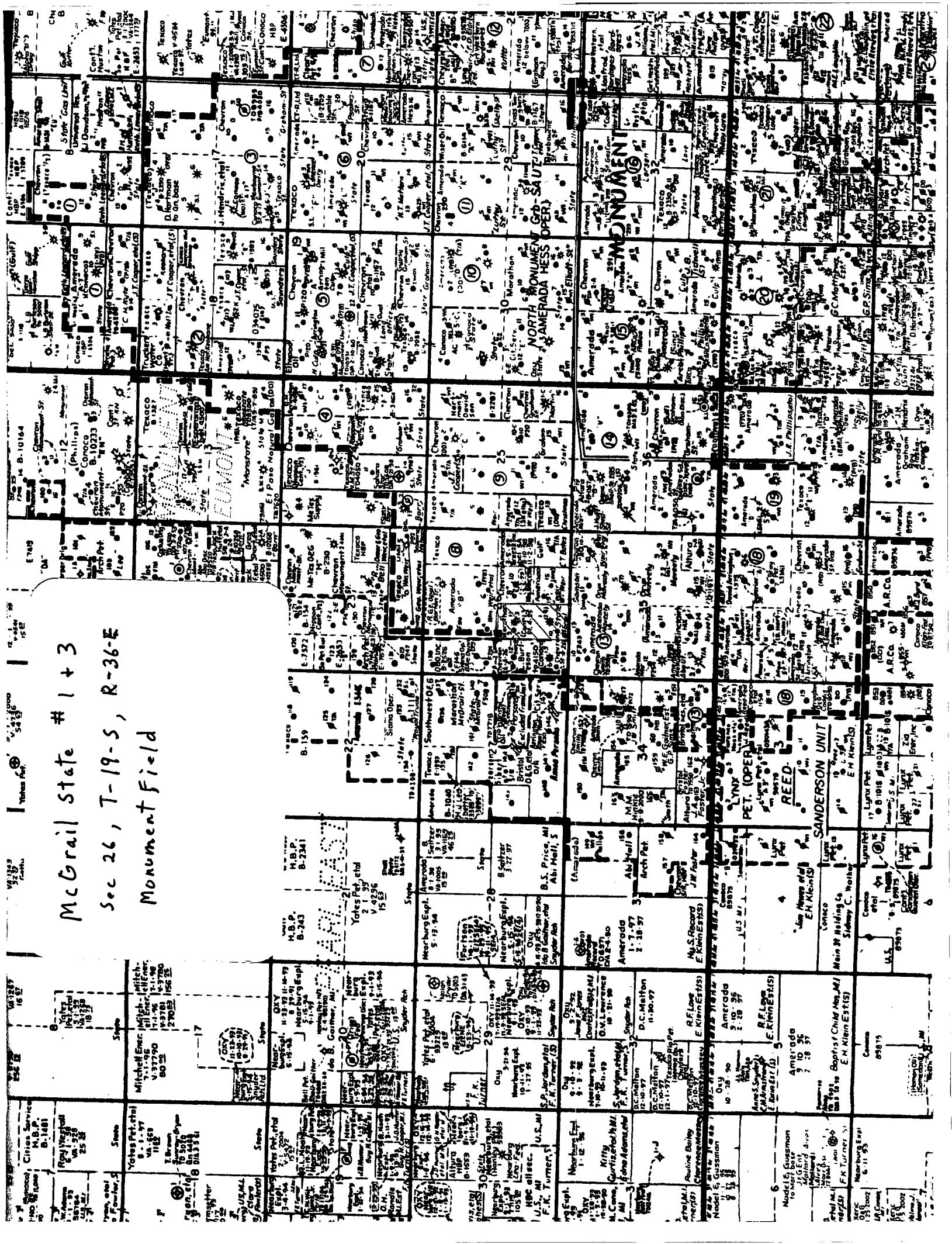
¹⁰ Surface Location									
UL or lot no. K	Section 26	Township 19S	Range 36E	Lot. Idn	Feet from the 1880	North/South Line South	Feet from the 1980	East/West line West	County Lea

¹¹ 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
¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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				Signature Thomas P. Kacir Printed Name Production Engineer Title 9-24-99 Date	
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Date of Survey Signature and Seal of Professional Surveyor:				Certificate Number	

McGrail state # 1 + 3
Sec 26, T-19-S, R-36-E
Monument Field



Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252-2040

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Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to simultaneously dedicate Eumont Yates SR-QU Pool Production to an 80 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the non-standard gas proration unit and to simultaneously dedicated the wells, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of

Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

Lewis B. Burleson Inc
P. O. Box 2479
Midland, Texas 79702-2479

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Production Operations, United States



P.O. Box 2490
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Telephone 505/393-7106

September 24, 1999

Chevron USA Production Co.
P. O. Box 1150
Midland, Texas 79702-1150

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Production Engineer

TPK/
Enclosure

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by _____, as representative of

Houston Division
Production Operations, United States



**Marathon
Oil Company**

P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 24, 1999

Rhombus Operating Co. Ltd.
200 N. Loraine, Ste 1270
Midland, Texas 79701

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Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of

NSP-1732A(SD)



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10/4/99

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____	
DHC	_____	
NSL	_____	
NSP	<u>X</u>	SD
SWD	_____	
WFX	_____	
PMX	_____	

Gentlemen:

I have examined the application for the: McGrail State #3-K-26-195-36e
Marathon Oil Co. McGrail State #1-N-26-195-36e
Operator _____ Lease & Well No. _____ Unit _____ S-T-R _____

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed