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W. THOMAS KELLAHIN
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CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

May 8, 1990

RECEIVED

MAY 8 0 1990

OIL CONSERVATION DIV.
SANTA FE

Mr. William J. LeMay
Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Application of Marathon Oil Company
for Dual Completion and for an
Unorthodox Gas Well location
North Indian Basin Unit No. 8,
Section 9, T21S, R23E,
Eddy County, New Mexico

9954

Dear Mr. LeMay:

On behalf of Marathon Oil Company, please find enclosed our Application for Dual Completion and an Unorthodox Well Location for the referenced well which we request be set for hearing on the next available Examiner's docket now scheduled for May 30, 1990.

By copy of this letter and Application to all parties, we are notifying them by certified mail, return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of in opposition to the Application.

Very truly yours,


W. Thomas Kellahin

WTK/tic
Enclosure

xc: Larry Garcia, Esq.
Marathon Oil Company
Post Office Box 3128
Houston, Texas 77253

William J. LeMay
May 8, 1990
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Craig Kent
Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Certified Mail Return-Receipt

Charles Gray
Oryx Energy Company
Post Office Box 2880
Dallas, Texas 75221-2880

RECEIVED

MAY 8 0 1990

OIL CONSERVATION DIV.
SANTA FE

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

IN THE MATTER OF THE APPLICATION OF
MARATHON OIL COMPANY FOR APPROVAL
FOR DUAL COMPLETION AND AN
UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

9954

A P P L I C A T I O N

COMES NOW MARATHON OIL COMPANY, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of dual completion and an unorthodox gas well location, for its North Indian Basin Unit No. 8 Well which was drilled to the Indian Basin Morrow Gas Pool at an unorthodox location 330 feet from the South line and 1650 feet from the West line of Section 9, T21S, R23E, N.M.P.M., Eddy County, New Mexico with the dedication of a spacing and proration unit thereto consisting of all of Section 9 and in support states:

1. Applicant, Marathon Oil Company, is the operator of and has the right to drill and develop all of Section 9, T21S, R23E, N.M.P.M., Eddy County, New Mexico.

2. In accordance with Division Order R-9050, the Applicant drilled the subject well at an approved unorthodox well location for the Indian Basin Upper Penn Gas Pool.

3. While drilling, the Applicant exercised the opportunity to deepen the well to the Morrow formation and obtained commercial gas production.

4. Applicant now seeks authority to produce the Morrow at the unorthodox location and to dually complete the well for production from both the Indian Basin Upper Penn Gas Pool and the Indian Basin Morrow Gas Pool.

5. The well is located at an unorthodox well location 330 feet from the south line and 1650 feet from the West line of said Section 9.

6. Applicant proposes to dedicate all of Section 9 to the well for any production from the Morrow formation in the Indian Basin Morrow Pool.

7. The unorthodox well location for the Morrow production is sought to satisfy geologic considerations in developing this spacing unit.

8. The location of the subject well for a test of the Morrow formation is subject to the Special Pool Rules for the Indian Basin Morrow Pool established by Division Order R-2441 which provides in Rule 4 that wells shall be located no closer than 1650 feet to the boundaries of the section.

9. The subject well for geologic reasons was drilled at a location 330 feet from the South line and 1650 feet from the West line of Section 9.

10. Applicant proposes to dually complete this well so that the Indian Basin Upper Penn Gas Pool production is produced up the annular space through perforations located approximately 7400 feet to 7416 feet and the Indian Basin Morrow Gas Pool production is produced up the tubing through perforations located approximately 9167 feet to 9185 feet, as generally described on Exhibit "A" attached hereto.

11. In accordance with Division Rule 1207, the offset operators or working interest owners entitled to notice of this Application are as follows:

Oryx Energy Company
Post Office Box 2880
Dallas, Texas 75221-2880
Attn: Charles Gray

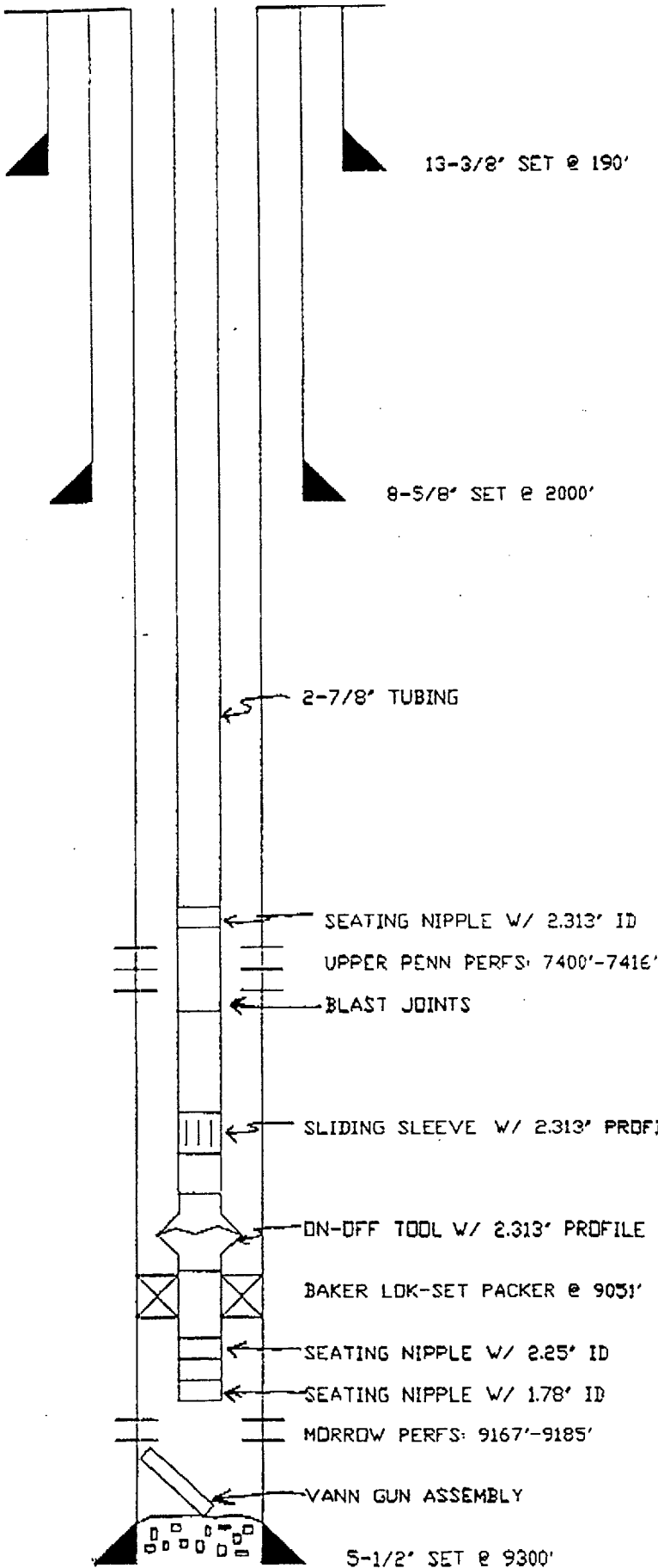
12. Approval of the Application, without a production penalty, will afford the operator and the other mineral interest owners for this spacing unit the opportunity to recover its proportionate share of the gas from the two pools thereby preventing waste and protecting correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285



WELL NAME: NORTH INDIAN BASIN UNIT #8
PROPOSED COMPLETION

LOCATION: 330' FSL 1650' FWL
SECTION 9 T21S R23E
EDDY COUNTY, NEW MEXICO

ELEVATION: 3970' GL 3985' KB

DEPTH: 9303' TD

SURFACE CASING: 13-3/8", 48#, K-55
SET @ 190', CMT W/ 280 SX, CIRC. 140 SX.

INTERMEDIATE CASING: 8-5/8", 32#, K-55
SET @ 2000', CMT W/900 SX, CIRC. 200 SX.

PRODUCTION CASING: 5-1/2", 15.5# & 17#,
K-55 SET @ 9300', CMT 1st STG W/780 SX
2nd STG W/ 1150 SX, DV TOOL @ 6804'

TUBING: 2-7/8", 6.5#, SET @ 9051'
W/BAKER LOK-SET PACKER, ON-OFF TOOL
W/ 2.313" PROFILE AND SLIDING SLEEVE.

COMPLETION: DUAL UPPER PENN AND MORROW

PERFORATIONS: UPPER PENN - 7400'-7416'
W/4 JSPF

MORROW - 9167'-9185'
W/6 JSPF