



MARATHON OIL COMPANY

PRODUCTION - UNITED STATES AND CANADA

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O. C. C. ARTERIA, OFFICE

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Oil & Gas Supervisor United States Geological Survey ATTENTION MR. CARL TRAYWICK Drawer 1857 Roswell, New Mexico 88201

The Commissioner of Public Lands State of New Mexico ATTENTION MR. TED BILBERRY, OIL & GAS DEPARTMENT P. O. Box 791 Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission ATTENTION MR. A. L. PORTER P. O. Box 2028 Santa Fe, New Mexico 87501

Gentlemen:

Miller Ranch Unit (No. 14-08-001-8976) Eddy County, New Mexico

The initial wildcat well, Marathon Oil Company Miller Ranch Unit Well No. 1, 1650' FSL & 1980' FEL of Sec. 18, T-22-S, R-25-E, Eddy County, New Mexico was drilled to a total depth of 8135'. The Upper Pennsylvanian (Cisco-Canyon) formations were tested by a drillstem test, 8098'-8135', that was open for one hour; recovery was 4500' slightly mud cut sulfur water and 1868' of sulfur water, 30 min. initial shut-in pressure 3011 psi, flow pressure 2390 psi to 3011 psi, and 60 min. final shut-in pressure 3011 psi. The Upper Pennsylvanian (Cisco-Canyon) formations constitute a "reef" type carbonate and the test is, in our opinion, an adequate evaluation as designated in Section 9 of the Unit Agreement.

Following the test of the Upper Pennsylvanian, the well was plugged back to 3704' and casing was set to test certain sands in the Brushy Canyon of the Delaware Mountain Group. On a potential test of December 16, 1968 one of the zones flowed oil at the rate of 163 BO, 18 BW & 194 MCF gas on 16/64 inch choke, gas-oil ratio 1190:1, gravity 47.2° from perforations 3624-3636'. A bridge plug was set above the perforations and several higher sand members were tested: none of the other zones was productive. The bridge plug above