



July 14, 1994

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504
Attn: Mr. Ben Stone, Engineer

RE: APPLICATION FOR EXCEPTION TO RULE 303-A
TO SURFACE COMMINGLE
THE PICKETT DRAW FEDERAL (WILLOW LAKE; BONE SPRING, SE)
AND THE EXXON "8" FEDERAL (UNDESIG. BONE SPRING)
ON THE PICKETT DRAW FEDERAL LEASE (NM-15303)
IN SEC. 9, T25S, R29E
EDDY COUNTY, NEW MEXICO

Gentlemen:

Maralo, Inc. requests an exception to Rule 303-A for approval to surface commingle the commonly owned production from EXXON "8" FEDERAL and PICKETT DRAW FEDERAL leases on the PICKETT DRAW FEDERAL LEASE.

A Plat is attached showing the location and reservoir of each well.

Enclosed is a battery diagram which describes the proposed operation.

The Pickett Draw Federal #1 and the Exxon "8" Federal #1 leases produce about 66 BOP/D from the Bone Spring reservoirs. The individual well production is listed below:

Pickett Draw Federal #1

<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPO</u>	<u>GRAVITY</u>	<u>FORMATION</u>
C	16	10	50	46.6	Bone Spring

Exxon "8" Federal #1

<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPO</u>	<u>GRAVITY</u>	<u>FORMATION</u>
A	50	40	45	46.2	Bone Spring