

Case

7462

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO

17 February 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Marathon Oil Com-  
pany for downhole commingling,  
Lea County, New Mexico.

CASE  
7462

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Evan B. Glick, Esq.  
MARATHON OIL COMPANY  
P. O. Box 3128  
Houston, Texas 77001

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1  
2 MR. STAMETS: The hearing will come to  
3 order.

4 We'll call next Case Number 7462.

5 MR. PEARCE: Application of Marathon  
6 Oil Company for downhole commingling, Lea County, New Mexico.

7 MR. COOTER: Mr. Examiner, my name is  
8 Paul Cooter. I'm with the law firm of Atwood and Malone in  
9 Roswell.

10 There will be one witness, Bill Holmes,  
11 in this case, but the case will be presented by Evan Glick,  
12 who is house counsel for Marathon in Houston.

13 Mr. Glick is a member of the Texas Bar.

14 MR. STAMETS: All right. I'd like to  
15 have the witness stand and be sworn at this time, please.

16  
17 (Witness sworn.)

18  
19 MR. GLICK: May it please the Examiner.

20  
21 BILL HOLMES

22 being called as a witness and being duly sworn upon his oath,  
23 testified as follows, to-wit:  
24  
25

## DIRECT EXAMINATION

BY MR. GLICK:

Q For the record, would you please state your name, place of residence, and employment?

A I'm Bill Holmes. I live in Midland, Texas, and I am employed by Marathon Oil Company.

Q What is your position with Marathon?

A District Operations Engineer.

Q Have you ever testified before the Oil Conservation Commission before?

A No.

Q Where did you go -- what is your undergraduate degree in?

A I have a BS in petroleum engineering from Texas Tech in May of 1976.

Q All right. Following graduation, did you go directly into work?

A Yes, I went to work for Marathon Oil Company.

Q And where have you worked for Marathon Oil Company?

A I worked Hobbs, Iraan, Texas, and Midland.

Q Are you familiar with the Arrowhead

Field, Lea County, New Mexico?

A Yes, I believe so.

Q Are you familiar with the application  
in Case Number 7462?

A Yes.

MR. GLICK: I would propose to -- I  
would request that you accept Mr. Holmes' qualifications  
as an expert.

MR. STAMETS: The witness is considered  
qualified.

MR. GLICK: Thank you, sir.

Q What is Marathon requesting today?

A Marathon is requesting an exception to  
Rule 303 to permit downhole commingling of the Drinkard and  
Blinebry Oil Pools in the C. J. Saunders Well No. 3.

Q Would you please identify Exhibit Num-  
ber One, please?

A Exhibit Number One is a map of the  
area showing the C. J. Saunders Well No. 3 in red. Its  
location is in Section 1, Township 22 South, Range 36 East,  
Lea County, New Mexico.

Q Is this lease on Federal lands?

A Yes, this is a Federal lease.

Q Have you, or do you know whether verbal

1  
2 approval from the United States Geological Survey has been  
3 received?

4 A Yes. The USGS was contacted and gave  
5 verbal approval for the downhole commingling.

6 Q Okay. Would you please identify Exhibit  
7 Number Two for us -- for the Examiner?

8 A Exhibit Number Two is a schematic, well-  
9 bore schematic of the C. J. Saunders Well No. 3, showing the  
10 Drinkard perforations from 6553 to 6637, which are tempo-  
11 rarily abandoned, and the Blinebry perforations from 5518  
12 to 5870, which are currently producing.

13 Q Are both the Blinebry and Drinkard zones,  
14 are they oil zones?

15 A Yes, they are.

16 Q Are they both producing now?

17 A The Drinkard is currently temporarily  
18 abandoned with a retrievable bridge plug. The Blinebry is  
19 producing.

20 Q What was the production of oil, gas,  
21 and water from the Drinkard prior to temporary abandonment?

22 A Prior to abandonment in September of  
23 '79 the Drinkard was producing 19 barrels of oil per day,  
24 4 barrels of water, and 174,000 standard cubic feet of gas  
25 per day.

1

7

2

Q Thank you. Would you please identify

3

Exhibit Number Three for the Examiner?

4

A Exhibit Number Three is the latest

5

C-116 on the C. J. Saunders No. 3 Blinebry oil zone.

6

Q Would you please state for the record

7

what the production of oil, gas, and water currently is, ac-

8

cording to this C-116?

9

A Current production is 19 barrels of oil

10

per day, 33 barrels of water per day, and 69,000 standard

11

cubic feet of gas per day.

12

Q Thank you. Would you please identify

13

Exhibit Number Four?

14

A Exhibit Four is a C-116 on the C. J.

15

Saunders No. 3 Drinkard zone for April, 1979.

16

Q And to your knowledge and belief, the

17

Exhibit Number Three and Exhibit Number Four are the latest

18

C-116's for both zones?

19

A That's correct.

20

Q Okay, thank you. Are both -- are either

21

or both of the zones capable of flowing?

22

A Neither. Neither zone flows. They

23

both require artificial lift.

24

Q Okay. Are the fluids from each zone

25

compatible with the other?



1

2

A. Yes, they are.

3

4

5

Q. In your opinion will precipitates form which might damage either or both reservoirs if either -- if the oil from the zones are commingled?

6

A. No, there will be no damage to reservoir.

7

8

Q. In your opinion will the total value of the crude be reduced by commingling?

9

10

A. The total value will be essentially the same when commingling is performed.

11

12

Q. Is there common ownership of the two zones to be commingled?

13

14

A. The ownership is common between the two zones.

15

16

Q. And this is for royalty and working interest owners?

17

A. That's true.

18

19

20

21

Q. In your opinion will the commingling of the two zones jeopardize the efficiency, present or future, of secondary recovery operations in either of the zones to be commingled?

22

A. It will not.

23

24

Q. For the C. J. Saunders No. 3 Well, would you please state the name and address of the operator?

25

A. The operator is Marathon Oil Company,

P. O. Box 2409, Hobbs, New Mexico.

Q Okay. Would you please identify Exhibit marked Number Five?

A Exhibit Five is the production decline curve for the Drinkard zone on the C. J. Saunders No. 3, showing oil production in barrels per month, water production in barrels per month, and gas production in Mcf per month.

Q Does this exhibit reflect the latest production numbers for the Drinkard zone?

A Yes, it does. The last date of production was September, 1979.

Q Thank you. Would you please identify Exhibit Number Six for the Examiner?

A Exhibit Number Six is a production decline curve for the Blinebry zone on the C. J. Saunders Well No. 3, showing oil production in barrels per month, water production in barrels per month, and gas production in Mcf per month.

Q And is it also -- does it accurately reflect the information, to your knowledge and belief?

A Yes.

Q Okay. Would you please state the well location for the C. J. Saunders No. -- Well No. 3?

A The location of the well is 430 feet

from the north line and 2307 feet from the west line of Section 1, Township 22 South, Range 36 East, Lea County, New Mexico.

Q Would you state the estimated bottom hole pressure for the Drinkard zone?

A Estimated bottom hole pressure for the Drinkard zone is 800 pounds per square inch.

Q Would you state the estimated bottom hole pressure for the Blinebry zone?

A Estimated bottom hole pressure for the Blinebry zone is 978 pounds per square inch.

Q To your knowledge and belief are the Drinkard and Blinebry zones generally, or commonly, commingled in the area?

A Yes, they are.

Q Are they known to be compatible in the wellbore?

A Yes, they are.

Q To your knowledge, information, and belief will the oil produced sell for the same price commingled as it would if the zones were produced separately?

A Yes, it will.

Q In your opinion will the commingling of the Drinkard and Blinebry zones in the C. J. Saunders No. 3

1  
2 Well prevent waste and protect correlative rights?

3 A Yes, it will.

4 Q Will said commingling prevent recoverable  
5 oil from being left in the ground?

6 A Yes,

7 Q To your information and belief have all  
8 of the offset operators been notified in writing?

9 A Yes, they have.

10 Q And to your information and belief has  
11 the Federal government through the United States Geological  
12 Survey given their approval?

13 A Yes, they have.

14 Q Exhibit Number Seven, which is with  
15 you, is a copy, photocopy of the letters and responses that  
16 we have received from the offset operators and the return  
17 receipt requested labels that were attached thereto, and  
18 Mr. Armando Lopez with the U. S. Geological Survey contacted  
19 me and verbally gave me his approval regarding this and  
20 suggested that he would inform the Commission of the same.

21 MR. GLICK: At the present time, Mr.  
22 Examiner, I wish to offer Marathon's Exhibits Number One  
23 through Seven into evidence.

24 MR. STAMETS: These exhibits will be  
25 admitted.

1  
2 Q Were Exhibits One through Six prepared  
3 by you or someone at your direction and under your super-  
4 vision?

5 A Yes, they were.

6 Q Is the information contained thereon  
7 true and correct to the best of your knowledge and belief?

8 A Yes, it is.

9 Q All right.

10 MR. GLICK: And I prepared, personally  
11 prepared, Exhibit Number Seven and will attest to the same,  
12 sir.

13 MR. STAMETS: Fine, thank you.

14 MR. GLICK: No more questions.

15  
16 CROSS EXAMINATION

17 BY MR. STAMETS:

18 Q Mr. Holmes, are there any secondary  
19 recover operations currently going on in this area?

20 A The nearest is in the Drinkard zone in  
21 the Central Drinkard Unit to the east of the present well.  
22 This unit is operated by Phillips.

23 Q How far away is that?

24 A Approximately two miles.

25 Q What would you propose to do as far as

1  
2 the downhole commingling if secondary recovery did move in  
3 in this area?

4 A We could, I suppose, dual the well or  
5 squeeze off one of the producing zones.

6 Q Okay. And I take it, looking at Exhibit  
7 number five, that this well first went on production in  
8 February of '79, is that correct?

9 A Yes, that is the date of first recovery.

10 Q And the Drinkard declined quite rapidly.

11 A Yes, it did.

12 Q It would appear on that basis that  
13 perhaps the best method of allocating the production to this  
14 well might be based on the anticipated reserves from each  
15 of these zones. Has that been done or could that be quickly  
16 done; not today, but within a few days?

17 A Yes, this could be done.

18 MR. GLICK: Yes, sir.

19 MR. STAMETS: Okay, if you would submit  
20 that information subsequent to the hearing, we -- we could  
21 probably use that, then, for allocation of remaining pro-  
22 duction. And we'd be interested in both remaining reserves  
23 of water -- not water -- oil and gas.

24 Are there other questions of this  
25 witness? He may be excused.

1  
2 Anything further in this case?

3 MR. GLICK: No, sir.

4 MR. STAMETS: The case will be taken  
5 under advisement.

6 MR. GLICK: Thank you, sir.

7  
8 (Hearing concluded.)  
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7462  
heard by me on 2-17 1982  
Richard L. Plummer, Examiner  
Oil Conservation Division



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
3 February 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Marathon Oil Com-  
pany for downhole commingling,  
Lea County, New Mexico.

CASE  
7462

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

1  
2 MR. NUTTER: We'll call next Case Number  
3 7462.

4 MR. PEARCE: Application of Marathon  
5 Oil Company for downhole commingling, Lea County, New Mexico.

6 MR. NUTTER: We'll call this case after  
7 awhile again.

8  
9 MR. NUTTER: The hearing will come to  
10 order.

11 We'll recall now Case Number 7462.

12 MR. PEARCE: Application of Marathon Oil  
13 Company for downhole commingling, Lea County, New Mexico.

14 Mr. Examiner, we have received a request  
15 from the applicant in this matter that this matter be continued  
16 to the hearing set for February the 17th of 1982.

17 MR. NUTTER: Case Number 7462 will be  
18 continued to the Examiner Hearing scheduled to be held at  
19 this same place at 9:00 o'clock a. m. February 17, 1982.

20  
21 (Hearing concluded.)  
22  
23  
24  
25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the final hearing of Case No. 7462  
heard by me on 4/3 1982

[Signature], Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO

20 January 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Marathon Oil Com-  
pany for downhole commingling,  
Lea County, New Mexico.

CASE  
7462

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: Call next Case 7462.

MR. PEARCE: The application of Marathon  
Oil Company for downhole commingling, Lea County, New Mexico.

MR. STAMETS: At the request of the  
applicant this case will be continued till the February 3rd  
Examiner Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd CSR

I, \_\_\_\_\_, Secretary of the  
Oil Conservation Division, do hereby  
certify that the foregoing transcript is a  
true and correct record of the hearing held on \_\_\_\_\_  
at \_\_\_\_\_, Texas.

\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

POST OFFICE BOX 4088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-3434

March 16, 1982

Mr. Paul Cooter  
Atwood, Malone, Mann & Cooter  
P. O. Drawer 700  
Roswell, New Mexico 88201

Re: CASE NO. 7462  
ORDER NO. R-6924

Applicant:

Marathon Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD       

Other Evan Glick

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7462  
Order NO. R-6924

APPLICATION OF MARATHON OIL COMPANY  
FOR DOWNHOLE COMMINGLING, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Marathon Oil Company, is the owner and operator of the C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle Drinkard and Blinebry production within the wellbore of the above-described well.
- (4) That from the Drinkard zone, the subject well is capable of low marginal production only.
- (5) That from the Blinebry zone, the subject well is capable of low marginal production only.
- (6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.



-2-

Case No. 7462  
Order No. R-6924

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 40 percent of the commingled oil production and 54 percent of the commingled gas production should be allocated to the Drinkard zone, with the remainder being allocated to the Blinebry zone.

IT IS THEREFORE ORDERED:

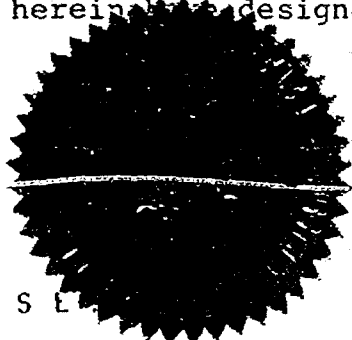
(1) That the applicant, Marathon Oil Company, is hereby authorized to commingle Drinkard and Blinebry production within the wellbore of the C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That 40 percent of the commingled oil production and 54 percent of the commingled gas production shall be allocated to the Drinkard zone and with the remainder being allocated to the Blinebry zone.

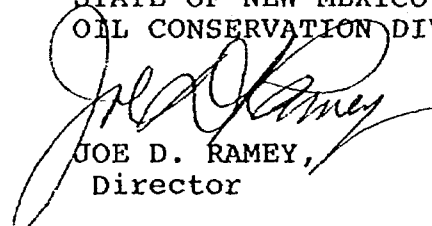
(3) That the operator of the subject well shall immediately notify the Division's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

S E

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



Marathon  
Oil Company

RECEIVED  
FEB 26 1982  
OIL CONSERVATION DIVISION  
SANTA FE

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

February 24, 1982

CERTIFIED MAIL  
NO. P15-3198452  
RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Richard L. Stamets, Examiner

Re: Marathon Oil Company's Request for Exception to Rule  
303-A, C. J. Saunders Well No. 3, Drinkard and Blinebry  
Oil Pools, Section 1, Township 22 South, Range 36 East,  
Lea County, New Mexico

Dear Sir:

It was a pleasure appearing before you on Wednesday, February 17, 1982 during the hearing on the captioned matter. During said hearing, and at the close of same, you requested that Marathon provide you and the Commission with the reserve estimates from the Drinkard and Blinebry Oil Zones in the subject Well. These estimates were made by decline curve analysis and are as follows:

<u>Zone</u>	<u>Reserves, Barrels of Oil</u>	<u>Reserves, MCF of Gas</u>
Drinkard	30,000 BO 40	130,000 MCF G 54
Blinebry	45,000 BO 60	110,000 MCF G 46

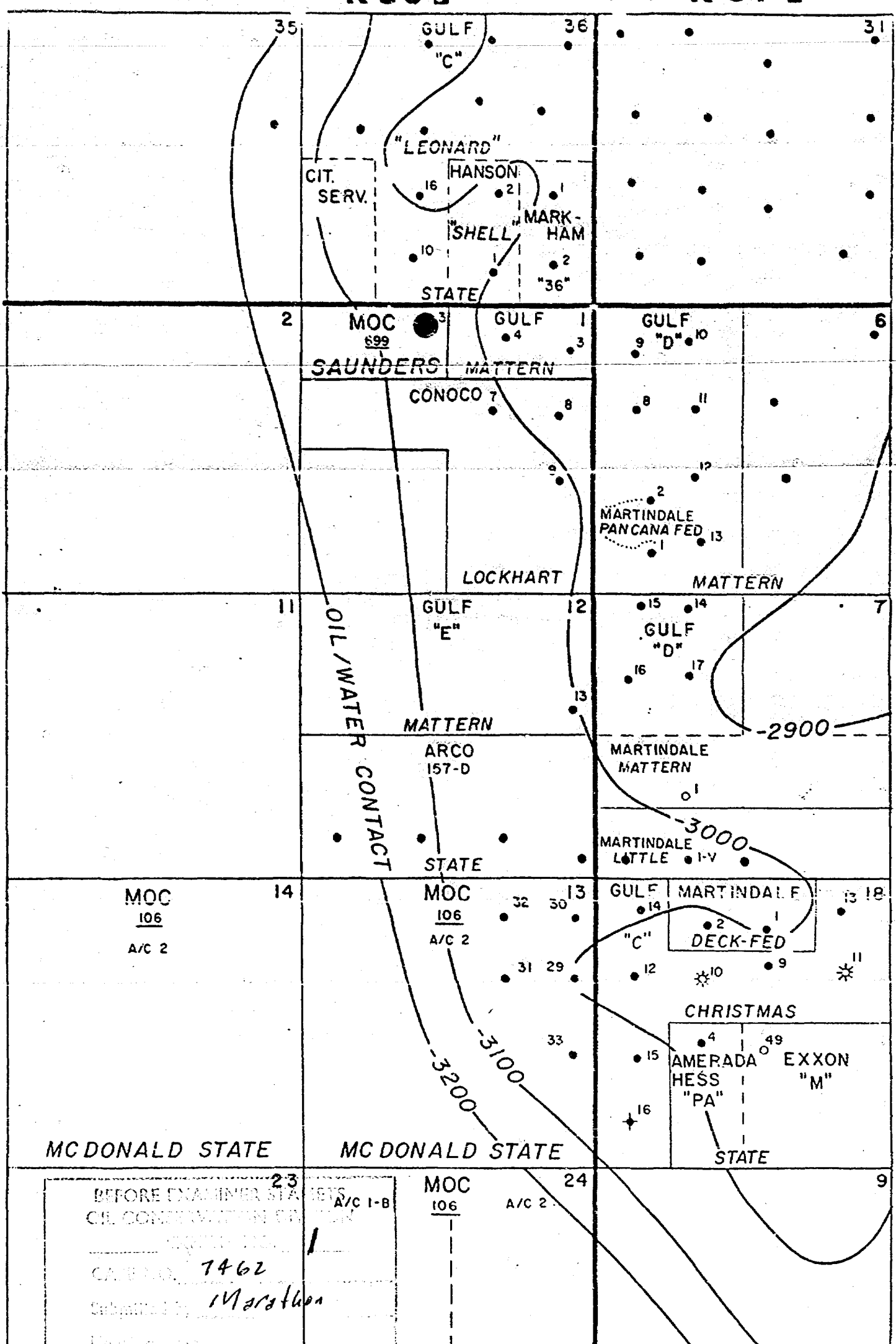
We trust that the above information is sufficient. If you have any further questions, please feel free to contact me.

Very truly yours,

EVAN B. GLICK  
Attorney

EBG/rpl

cc: Mr. C. L. Roberts, Houston  
Mr. R. P. Scott, Midland  
Mr. C. A. Miller, Midland



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## WELL DATA SHEET

FIELD Arrowhead  
 LEASE AND WELL No. C. J. Saunders No. 3  
 LOCATION 430' FNL + 230' FWL Sec 1 T-22S, R-36E  
 COUNTY AND STATE Lea County, New Mexico  
 STATUS Pumping  
 (Pumping, Flowing, gas lift, etc.)

TD 6800 GR 3514 DF 3524 KB 3526  
 SURFACE CASING 9 5/8", 32.3#, H-40 @ 1392'  
comnt w/ 600' in Casing 42% CaCl<sub>2</sub>  
circ. 100 sx to pit  
 PRODUCTION CASING 7", 23.26#, K-55 @ 6788'  
comnt w/ 2 stages 1<sup>st</sup> - 585' sx lift + 225' sx 'H'  
2<sup>nd</sup> - 1200' sx 'C' + 150' 'H' - circ 10 sx to pit

TUBING 2 7/8" N-80 @ 5537'  
S.N. @ 5521'

RODS 66-7/8", 145 3/4", 10 7/8"  
2 x 1 1/2" x 22' RHBC pump

PUMPING UNIT Mark II 2280 730hp electric motor

PRESENT COMPLETION (Formation and Interval)

Blinebry 5518-5870 (30 holes)

HISTORY: compl Drinkard 6683-6692 (10 holes) treat w/ 1000 gal TEST water  
set CFBP @ 6675' w/ 25' cmr.

2-79 Perf Drinkard 6533-6677 (27 holes) acidize w/ 4000 gal frac w/ 48,000 gal  
+52,000 # sd.

2-26-79 IPP Drinkard 20180, 254BW i 361 mCFPD

10-79 Set RBP @ 6007' perf Blinebry 5518-5870 acidize w/ 2500 gal  
frac w/ 96,000 gal  
 10-30-79 IPP Blinebry 11080, 106 BW i 162 mCFPD  
+862,000 # sd.

PREPARED BY: R. DePauw

DATE: 9-15-81

5518 Blinebry  
5870 Oil

RBP @ 6007

6533 Drinkard  
6677 Oil

CIBP @ 6675

6683 Drinkard  
6692 Oil

6788

BEFORE EXAMINER STAMPS  
 OIL FIELD UNIT NO. 1462  
 11/23/81  
 Submitted by  
 Hearing Room

## GAS-OIL RATIO TESTS

Operator Marathon Oil Company		Pool Blinebry				County Lea										
P.O. Box 2409 Hobbs, N.M. 88240						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL.
		U	S	T	R							WATER BBL.	GRAV. OIL	OIL BBL.	GAS M.C.F.	
C. J. Saunders	3	C	1	22S	36E	1/5/82	P	-	45	28	24	33	37	19	69	3,632

BEFORE EXAMINER SIGNATURES  
OIL CONSERVATION DIVISION

\_\_\_\_\_  
C. J. Saunders  
Superintendent  
MARATHON

No well will be assigned an allowable greater than the amount of oil produced on the official test.

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 allowable when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 14.725 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.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

*C. C. [Signature]*  
(Signature)

Operations Superintendent

(Title)

1/13/82

(Date)

**NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS**

C-118  
Revised 1-1-65


Operator <b>Marathon Oil Company</b>		Pool <b>Drinkard</b>				County <b>Lea</b>										
Address <b>P.O. Box 2409 Hobbs, New Mexico 88240</b>						TYPE OF TEST - (X)		Scheduled <input checked="" type="checkbox"/>		Completion <input type="checkbox"/>		Special <input type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BBL
		U	S	T	R							WATER BBL.S	GRAV. OIL	OIL BBL.S	GAS M.C.F.	
<b>McDonald State A/C 2</b>	29	H	13	22S	36E	1-23-79	F	29/64	125	142	24	3	33.5	142	392	2761
	30	A	13	22S	36E	1-24-79	P	-	30	142	24	5	36	93	199	2140
	31	G	13	22S	36E	1-25-79	P	-	30	142	24	22	36	81	146	1802
	32	B	13	22S	36E	1-26-79	P	-	30	80	24	39	36	64	156	2438
<b>C. J. Saunders</b>	3	C	1	22S	36E	4-25-79	P	-	30	142	24	39	36	30	65	2167
<b>Lou Worthan</b>	10	D	11	22S	37E	3-5-79	F	32/64	225	Gas well	24	0	42	1	1036	1036000
	11	F	11	22S	37E	3-6-79	F	28/64	450	Gas well	24	0	42	0	365	-
	12	H	11	22S	37E			Temporarily Abandoned								
	13	C	11	22S	37E	3-7-79	F	48/64	340	Gas well	24	0	42	1	816	816000
	15	G	11	22S	37E	3-20-79	F	22/64	700	Gas well	24	0	42	1	619	619000
	17	E	11	22S	37E	3-27-79	F	28/64	425	Gas well	24	0	42	0	23	-
<b>J. W. Grizzell</b>	1	O	5	22S	37E	3-11-79	F	26/64	50	Gas well	24	1	36	2	304	152000
<b>Dayton Hardy</b>	2	I	20	21S	37E	3-25-79	F	40/64	125	2	24	2	36	3	100	33333
<b>W. S. Marshall "B"</b>	1	N	27	21S	37E	3-2-79	F	27/64	260	Gas well	24	1	35	4	560	140000
	2	M	27	21S	37E	3-3-79	F	24/64	160	Gas well	24	0	35	3	312	104000
	3	K	27	21S	37E	3-8-79	F	36/64	100	18	24	0	35	2	500	250000
	4	L	27	21S	37E	3-9-79	F	25/64	205	8	24	1	35	19	740	38947

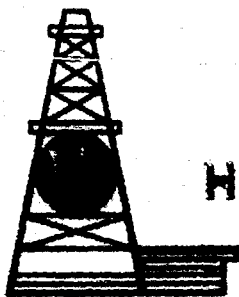
BEFORE  
OIL CON  
7462  
MARATHON

No well will be assigned an allowable greater than the amount of oil produced on the official test.  
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 Commission.  
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 must be 0.60.  
Report casing pressure in lieu of tubing pressure for any well producing through casing.  
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

DIST.: RLMC, CRH, FILE

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

  
(Signature)  
Engineering Technician  
(Title)  
May 8, 1979  
(Date)



HANSON

OIL CORPORATION

P.O. BOX 1515

ROSWELL, NEW MEXICO 88201

PHONE AC 505-622-7330

November 16, 1981

Marathon Oil Company  
Post Office Box 3128  
Houston, Texas 77001

Attention: Mr. Evan B. Glick

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinbry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (MN-699)

Gentlemen:

This letter is to advise you that Hanson Oil Corporation has no objection to Marathon's proposal as outlined in your letter of November 12, 1981 relative to the above caption.

Very truly yours,

HANSON OIL CORPORATION

Ray Willis  
Vice-President, Land & Finance

RW/bk

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 7

CASE NO. 7462

Submitted by MARATHON

Hearing Date



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

November 12, 1981

**CERTIFIED MAIL  
NO. P15-3198414  
RETURN RECEIPT REQUESTED**

Hanson Oil Corporation  
P. O. Box 1515  
Roswell, New Mexico 88201

**Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)**

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201



PI5 3198414

Form 3817, Jan. 1978

**SENDER:** Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)  
☒ Show to whom and date delivered.....  
☐ Show to whom, date and address of delivery.....  
☐ RESTRICTED DELIVERY  
 Show to whom and date delivered.....  
☐ RESTRICTED DELIVERY.  
 Show to whom, date, and address of delivery.....  
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
 Hanson Oil Corporation  
 P. O. Box 1515  
 Roswell, New Mexico 88201

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. CERTIFIED NO. INSURED NO.  
 P15-3198414  
 (Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE ☐ Addressee ☐ Authorized agent  
*Frederick*

4. DATE OF DELIVERY 11-16-85 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL  
NO. P15-3198378  
RETURN RECEIPT REQUESTED**

U. S. Geological Survey  
Central Region  
Box 25046  
Denver Federal Center  
Denver, Colorado 80225

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)

Gentlemen:

Please allow this letter to serve as notice to you, since the subject property is on Federal land, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,



EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

P15 3198378

Form 3811, Jan. 1978

SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)  
☒ Show to whom and date delivered.  
☐ RESTRICTED DELIVERY Show to whom, date and address of delivery.  
☐ RESTRICTED DELIVERY Show to whom and date delivered.  
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery.

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
U. S. GEOLOGICAL SURVEY  
BOX 25046  
Denver, Colorado 80225

1. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIER NO. INSURED NO.  
P15-3198378

(Always obtain signature of addressee or agent.)  
I have received the article described above.  
SIGNATURE *[Signature]* ADDRESS *[Address]* AUTHORIZED agent

4. DATE OF DELIVERY *20 OCT 1981*

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: *[Initials]*

POSTMARK  
OCT 20 1981  
CLERK'S INITIALS  
USPO

★ GPO : 1979-285-846

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL**  
**NO. P15-3198376**  
**RETURN RECEIPT REQUESTED**

Cities Service Company  
P. O. Box 1919  
Midland, Texas 79702

Re: Marathon Oil Company's Proposed commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

A large, stylized handwritten signature in dark ink, appearing to read 'Evan B. Glick'.

EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL  
NO. P15-3198805  
RETURN RECEIPT REQUESTED**

Conoco Oil Corporation  
P. O. Box 640  
Hobbs, New Mexico 88240

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

A large, stylized handwritten signature in dark ink, appearing to read 'Evan B. Glick'.

EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

5-09d-

P15 3198805

PS Form 3811, Jan. 1978

● SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)  
☒ Show to whom and date delivered.  
☐ Show to whom, date and address of delivery.  
☐ RESTRICTED DELIVERY  
Show to whom and date delivered.  
☐ RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery.  
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
Conoco Oil Corp.  
P. O. Box 640  
Hobbs, New Mexico 88240

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
P-15-3198805  
(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☐ Addressee ☒ Authorized agent  
DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1978-203-848

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

Conoco Inc.  
P.O. Box 460  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141

October 28, 1981

Marathon Oil Company  
P.O. Box 3128  
Houston, Texas 77001

Attention Mr. Evan B. Glick

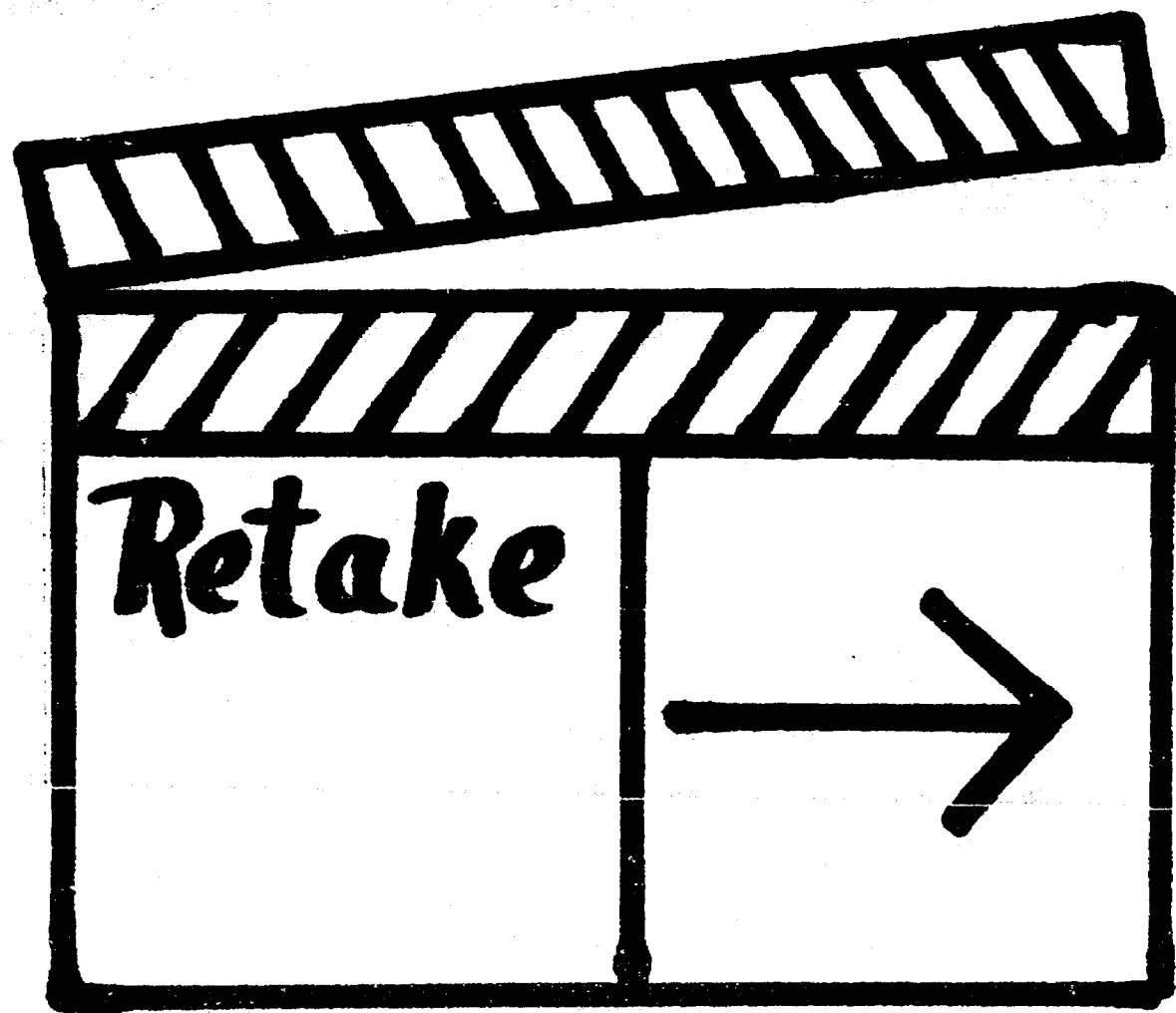
Gentlemen:

Marathon Oil Company's Proposed Commingling of the Drinkard and Blinebry  
Oil Pools - C. J. Saunders Well No. 3 - Section 1, T-22S, R-36E,  
Arrowhead Field, Lea County, New Mexico (NM-699)

Conoco Inc. has no objection to your proposed commingling as contained  
in your letter dated October 15, 1981, above subject.

Very truly yours,

HAI:rej







Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

Conoco Inc.  
P.O. Box 460  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141

October 28, 1981

Marathon Oil Company  
P.O. Box 3128  
Houston, Texas 77001

Attention Mr. Evan B. Glick

Gentlemen:

Marathon Oil Company's Proposed Commingling of the Drinkard and Blinebry  
Oil Pools - C. J. Saunders Well No. 3 - Section 1, T-22S, R-36E,  
Arrowhead Field, Lea County, New Mexico (NM-699)

---

Conoco Inc. has no objection to your proposed commingling as contained  
in your letter dated October 15, 1981, above subject.

Very truly yours,

HAI:rej

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL**  
**NO. P15-3198806**  
**RETURN RECEIPT REQUESTED**

Gulf Oil Corporation  
P. O. Box 670  
Hobbs, New Mexico 88240

**Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)**

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

A large, stylized handwritten signature in dark ink, likely belonging to Evan B. Glick.

EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

P15 3198806

PS Form 3811, Jan. 1978

● SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)  
☒ Show to whom and date delivered.....  
☐ Show to whom, date and address of delivery.....  
☐ RESTRICTED DELIVERY  
Show to whom and date delivered.....  
☐ RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
Gulf Oil Corp  
P. O. Box 670  
Hobbs, New Mexico 88240

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
P15-3198806  
(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☐ Addressee ☒ Authorized agent

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

11/11-2091

# Gulf Oil Exploration and Production Company

J. M. THACHER  
GENERAL MANAGER PRODUCTION  
SOUTHEAST DISTRICT

P. O. Drawer 1130  
Midland, TX. 79702

November 6, 1981

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Re: Request for Downhole Commingling  
Marathon Oil Company's  
C. J. Saunders Well No. 3  
Drinkard & Blinbry Oil Pools  
Lea County, New Mexico

This is to advise that Gulf Oil Corporation has been given due notice that Marathon Oil Company is requesting downhole commingling authority for the subject well. We have no objection to the granting of this application for the well above which is located in:

Unit C , Section 1, T-22-S,  
R-36-E, Lea County, New Mexico

Executed this 6th day of November, 1981.

Yours very truly,

GULF OIL CORPORATION

By: C. F. Kalteyer  
C. F. Kalteyer  
Chief Proration Engineer

CFK/da



A DIVISION OF GULF OIL CORPORATION

Dockets Nos. 7-82 and 8-82 are tentatively set for March 3 and March 17, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Mutter, Alternate Examiner:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for March, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for March, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
  - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1982, for both of the above areas.

CASE 7445: (Continued from December 16, 1981, Examiner Hearing)  
(THIS CASE WILL BE CONTINUED TO THE EXAMINER HEARING ON MARCH 17, 1982)

Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the San Andres formation for its Fulton Collier Well No. 1 in Unit G of Section 1, Township 18 South, Range 28 East.

CASE 7479: Application of Northwest Pipeline Corporation for amendment of Order No. R-2046, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-2046, which authorized approval of six non-standard proration units, Basin-Dakota Gas Pool.

The amendment sought is for the creation of the following non-standard proration units to be drilled at standard locations thereon: Township 31 North, Range 6 West, Section 25: N/2 (272.16 acres) and S/2 (273.3 acres); Section 36: N/2 (272.56 acres) and S/2 (272.88 acres); Township 30 North, Range 6 West; Section 1: N/2 (272.81 acres) and S/2 (273.49 acres).

CASE 7480: Application of Arco Oil & Gas Company for pool creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Devonian gas pool for its Custer Well No. 1 located 1810 feet from the North line and 2164 feet from the West line of Section 6, Township 25 South, Range 37 East, Custer Field.

✓ CASE 7481: Application of Arco Oil & Gas Company for amendment of Order No. R-6792, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6792, which authorized the directional drilling of applicant's Custer Wells Well No. 1 to an unorthodox location in the Devonian and Ellenburger formations and imposed a penalty in the Devonian. By stipulation applicant and the offset operator have agreed that the subject well is not affecting the offsetting property and applicant herein seeks removal of the penalty imposed for so long as the well produces only from the present perforated interval in the Upper Devonian.

CASE 7459: (Continued from January 20, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

CASE 7410: (Continued from January 20, 1982, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

CASE 7457: (Continued from January 20, 1982, Examiner Hearing)

Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

CASE 7482: Application of Wiser Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1295 feet from the South line and 1345 feet from the West line of Section 32, Township 21 South, Range 37 East, Penrose-Skelly Pool.CASE 7483: Application of Adams Exploration Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4176 feet to 4293 feet in its Griffin Well No. 4 located in Unit A, of Section 10, Township 8 South, Range 32 East, Chaverroo-San Andres Pool.CASE 7462: (Continued from February 3, 1982, Examiner Hearing)

Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinbry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7474: (Continued from February 3, 1982, Examiner Hearing)

Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn, Atoka and Morrow formations underlying the E/2 of Section 25, Township 19 South, Range 33 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7484: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the E/2 of Section 1, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.CASE 7485: Application of Berge Exploration for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying two 160-acre proration units, the first being the NW/4 and the second being the SW/4 of Section 27, Township 7 South, Range 26 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.CASE 7486: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the NE/4 NE/4 of Section 6, Township 20 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.CASE 7487: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the SE/4 SE/4 of Section 31, Township 19 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7488: Application of Burkhart Petroleum Company for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 NW/4 of Section 13, Township 8 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7073: (Reopened and Readvertised)

In the matter of Case 7073 being reopened pursuant to the provisions of Order No. R-6558, which order promulgated special rules for the South Elkins-Fusselman Pool in Chaves County including provisions for 80-acre spacing units and a limiting gas-oil ratio of 3000 to one. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units with a limiting gas-oil ratio of 2000 to one.

CASE 7074: (Reopened and Readvertised)

In the matter of Case 7074 being reopened pursuant to the provisions of Orders Nos. R-6565 and R-6565-B, which created the South Elkins-Fusselman Gas Pool in Chaves County. All interested parties may appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir as it is determined that said pool is producing from a retrograde gas condensate reservoir.

CASE 6373: (Reopened and Readvertised)

In the matter of Case 6373 being reopened pursuant to the provisions of Orders Nos. R-5875 and R-5875-A, which created the East High Hope - Abo Gas pool in Eddy County, and promulgated special rules therefor, including a provision for 320-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 7489: Application of Curtis J. Little for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Township 25 North, Range 6 West, containing 6,720 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7490: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Atoka-Morrow formation, underlying the N/2 of Section 19, Township 8 South, Range 30 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7491: Application of Harvey E. Yates Company for designation of a tight formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka formation underlying portions of Townships 12, 13, and 14 South, Ranges 35 and 36 East, containing 46,720 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705, said area being an eastward and westward extension of previously approved tight formation area.

CASE 7492: Application of Harvey E. Yates Company for designation of a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka-Morrow formation underlying all or portions of Townships 7, 8, and 9 South, Ranges 29, 30, and 31 East, containing 115,200 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7493: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Bootleg Ridge-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 15 Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM  
Section 15: S/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the North King-Devonian Pool. The discovery well is Samadan Oil Corporation Speight Well No. 1 located in Unit B of Section 3, Township 13 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM  
Section 3: NE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Loving-Atoka Gas Pool. The discovery well is Gulf Oil Corporation Eddy GN State Well No. 1 located in Unit E of Section 16, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 12: N/2

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 4: S/2  
Section 7: All  
Section 8: All  
Section 9: All  
Section 16: All  
Section 17: All  
Section 18: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the Teague-Drinkard Pool. The discovery well is Alpha Twenty-One Production Company Lea Well No. 1 located in Unit B of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NE/4

(e) EXTEND the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 23: All  
Section 24: W/2

(f) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 16: W/2

(g) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 2: Lots 1 through 8

(h) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 5: SE/4

(i) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM  
Section 26: E/2

(j) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 23: All  
Section 26: All



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EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(k) EXTEND the Cary-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 4: W/2 SW/4

Section 5: SE/4

Section 9: W/2 W/2

(l) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 35: E/2

Section 36: W/2

(m) EXTEND the South Cuesera Black-bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 25: S/2 SW/4

Section 27: SW/4

(n) EXTEND the Elkins-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM

Section 21: NE/4

(o) EXTEND the Empire-Abo Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 19: S/2 SW/4

(p) EXTEND the Henshaw-Queen Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 19: NE/4 NW/4

(q) EXTEND the Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 26: W/2

(r) EXTEND the West Nadine-Blaine Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 8: NW/4

(s) EXTEND the Peterson-Mississippian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM

Section 28: NW/4

(t) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM

Section 7: S/2 SW/4

Section 18: NW/4 and N/2 SW/4 and SW/4 SW/4

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EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(u) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 2: NE/4 and E/2 NW/4

(v) EXTEND the Red Lake-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 7: S/2  
Section 8: SW/4  
Section 18: E/2 NW/4

(w) EXTEND THE West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM  
Section 5: SW/4

(x) EXTEND the Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 15: All

(y) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 13: SE/4  
Section 24: NE/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM  
Section 12: S/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM  
Section 7: S/2  
Section 8: NW/4

Dockets Nos. 6-82 and 7-82 are tentatively set for February 17 and March 3, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - FEBRUARY 2, 1982

OIL CONSERVATION COMMISSION - 9 A.M.  
ROOM 205, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

The following cases were continued from the January 11, 1982, Commission hearing:

CASE 7393: (DE NOVO)

Application of Urish Exploration Incorporated for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco, Canyon and Morrow formations underlying the W/2 of Section 13, Township 22 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7394: (DE NOVO)

Application of Supron Energy Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian well to be drilled 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, the W/2 of said Section 13 to be dedicated to the well.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 5-82

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 3, 1982

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE  
ROOM, STATE LAND OFFICE BUILDING, SANTA FE,  
NEW MEXICO.

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 7469: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit H. M. Bailey & Associates, Commercial Union Insurance Company, and all other interested parties to appear and show cause why the following wells on the H. M. Bailey Lease, Township 21 South, Range 1 West, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program: In Section 10: Nos. 9 in Unit A, 9, 11, 12, and 13 in Unit B, 10 and 14 in Unit C; and No. 15 in Unit C of Section 9.

CASE 7470: Application of Wayne Moore for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Delaware River Unit Area, comprising 2,560 acres more or less, of State and fee lands in Township 26 South, Range 28 East.

CASE 7471: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Lynch State Unit Area, comprising 1920 acres, more or less, of State lands in Township 21 South, Range 33 East.

CASE 7472: Application of Grace Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Buffalo-Deep East Unit Area, comprising 2543 acres, more or less, of Federal and State lands in Townships 18 and 19 South, Range 33 East.

CASE 7462: (Continued from January 20, 1982, Examiner Hearing)

Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinbry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7473: Application of Inexco Oil Company for pool creation, special pool rules and discovery allowable Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for its Lottie York Well No. 1 located in Unit P of Section 14, Township 17 South, Range 37 East, with special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of 57,150 barrels of discovery allowable to said well.

CASE 7453: (Continued and Readvertised)

Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 18 East, to be dedicated to the re-entry of an old well at a standard location thereon or to a new well to be drilled at a standard location if such re-entry is unsuccessful. Also to be considered will be the cost of re-entering and completing said well and the drilling of the new well, if necessary, and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entry and/or drilling said wells.

CASE 7451: (Continued from January 20, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 11, Township 6 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7474: Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn, Atoka and Morrow formations underlying the E/2 of Section 25, Township 19 South, Range 33 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7475: Application of C & K Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Casay-Strawn Pool underlying the E/2 SE/4 of Section 28, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7476: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7477: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying the NE/4 of Section 30, Township 6 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7448: (Continued and Readvertised)

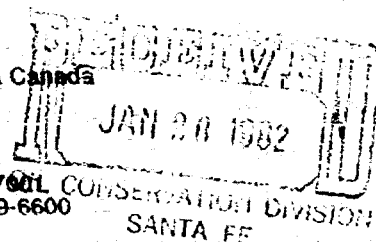
Application of Energy Reserves Group, Inc. for creation of a new associated pool and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new associated pool to be designated the South Peterson Penn Associated Pool, comprising the NW/4 of Section 30, Township 5 South, Range 33 East, the S/2 of Section 11, the S/2 of Section 12, and the N/2 of Section 13, Township 6 South, Range 33 East. Applicant further seeks the establishment of special pool rules including 40-acre spacing units for oil wells and 320-acre spacing units for gas wells and a 4000 to one gas-oil ratio limitation.

CASE 7478: Application of Julian Ard for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 33 East, to be dedicated to a well to be drilled at an unorthodox location 1900 feet from the North line and 2310 feet from the East line of said Section 23. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.



Evan B. Gillick  
Attorney  
Houston Division  
Production, U.S. & Canada

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600



January 21, 1982

NEW MEXICO OIL CONSERVATION COMMISSION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Perry Pierce, Legal Counsel

Re: Marathon Oil Company's Request for Exception to Rule  
303-A, C. J. Saunders Well No. 3, Drinkard and Blinebry  
Oil Pools, Section 1, Township 22 South, Range 36 East,  
Lea County, New Mexico

Dear Sirs:

Marathon Oil Company hereby submits this additional information regarding the captioned matter in order to supplement its request for exception to Rule 303-A, submitted by way of my December 22, 1981, letter, a copy of which I have enclosed for your convenience. Enclosed is the following information:

1. The latest Form C-116, dated January 13, 1982, for the Blinebry Oil Pool for the C. J. Saunders Well No. 3, in Lea County, New Mexico, indicating nineteen (19) barrels of oil produced per day, thirty-three (33) barrels of water per day, and sixty-nine thousand cubic feet (69 MCF) of gas per day.
2. Updated production plot on the Blinebry Zone.
3. Production plot for the Drinkard Zone.

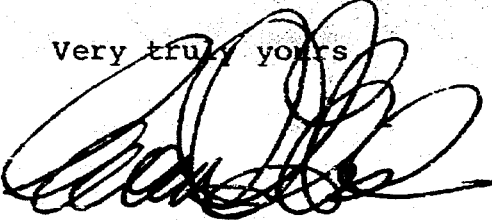
With this updated information, Marathon would submit that the Division Director has the authority to grant an exception to Rule 303-A to permit the commingling in the well bore of the C. J. Saunders Well No. 3 because, utilizing present information, the total daily production from both zones before commingling does not exceed the forty (40) barrels per day limitation based upon the bottom perforation, lower most pool designation found in Rule 303-C (1) (b).

Page 2  
January 21, 1982

Additionally, utilizing the same updated information, neither zone produces more water than the combined oil limit as determined in paragraph (b) as indicated above. Therefore, utilizing the information and exhibits submitted in my December 22, 1981, letter, and the updated information submitted herewith, an administrative exception to Rule 303-A is permissible.

If I may be of any additional assistance to you, please feel free to contact me. Thank you for your attention to this matter.

Very truly yours



EVAN B. GLICK

EBG/sh  
Encl.

cc: Mr. W. Holmes, Midland  
Mr. R. P. Scott, Midland  
Mr. C. L. Roberts, Houston

Mr. Paul A. Cooter  
ATWOOD, MALONE, MANN & COOTER  
P. O. Box 700  
Roswell, New Mexico 88201

## GAS-OIL RATIO TESTS

Operator <b>Marathon Oil Company</b>		Pool <b>Blinebry</b>				County <b>Lea</b>										
Address <b>P.O. Box 2409 Hobbs, N.M. 88240</b>						TYPE OF TEST - (X) <input checked="" type="checkbox"/>		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BBL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
C. J. Saunders	3	C	1	22S	36E	1/5/82	P	-	45	28	24	33	37	19	69	3,632

No well will be assigned an allowable greater than the amount of oil produced on the official test.

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.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 331 and appropriate pool rules.

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

*C. C. [Signature]*

Operations Superintendent

(Title)

1/13/82

(Date)



**RECEIVED**

JAN 18 1982

ENGINEERING DEPARTMENT  
MIDLAND, TEXAS



10 YEARS BY MONTHS  
X 3 LOG CYCLES  
KEMPEL & ESSER CO.

47 6740  
MADE IN U.S.A.

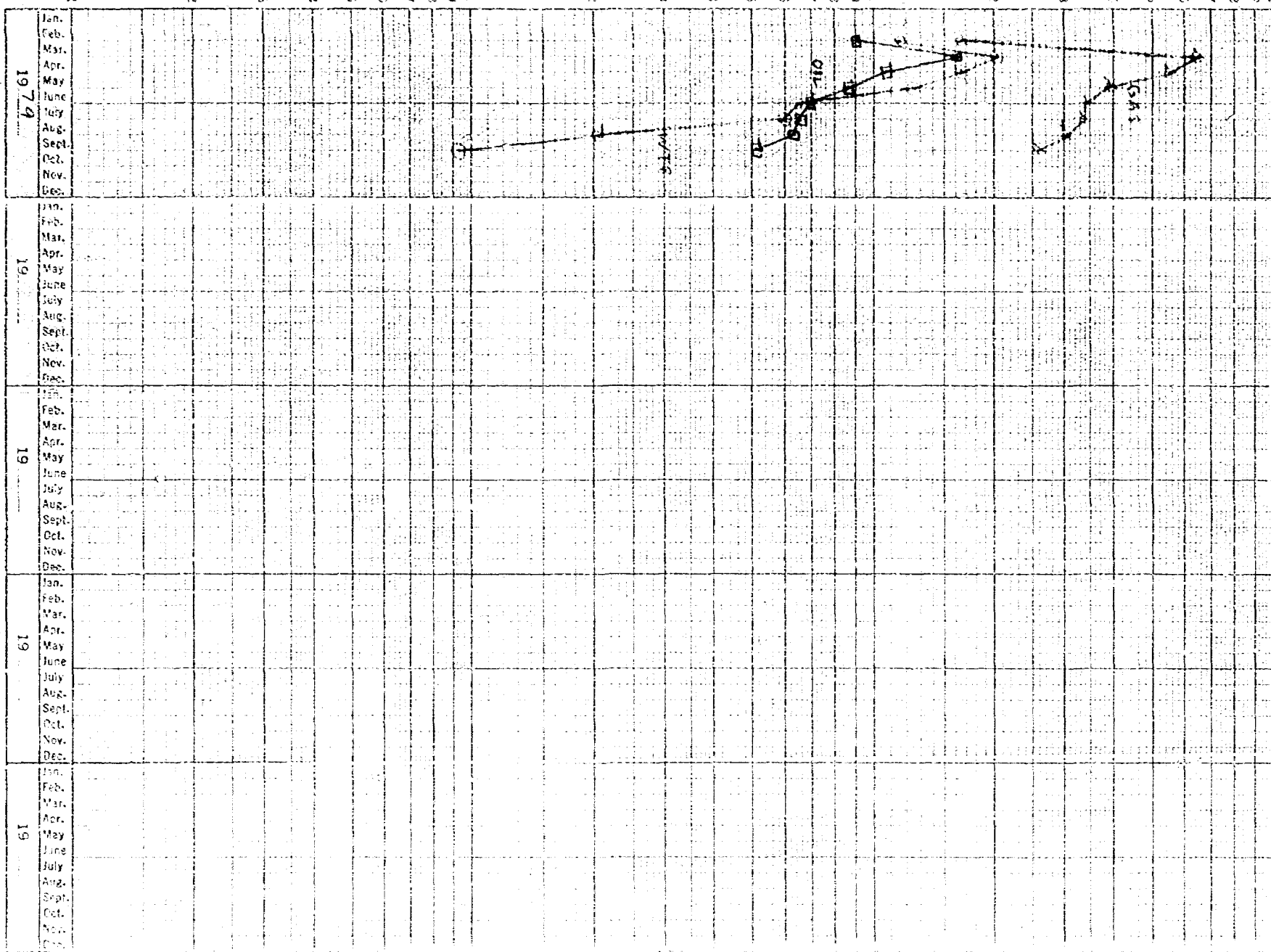
F815 OR MCF/MO

1000

100

10,000

C.T. SANDERS WELL NO. 3 DRINKARD

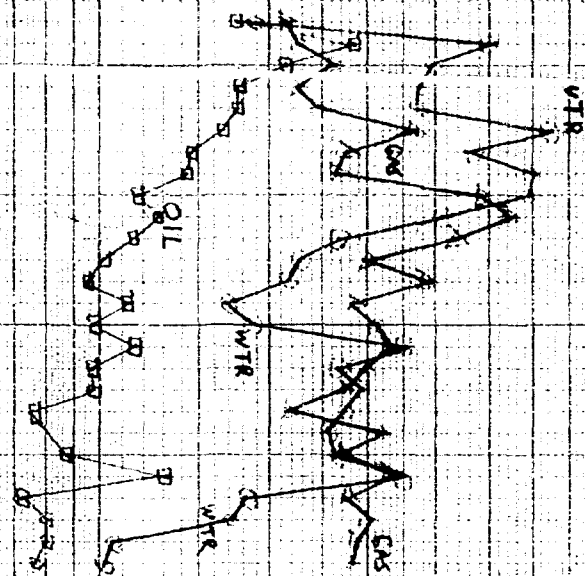


1000

ERL. OF MCT PER MD

19,000

C. J. SAUNDERS WELL NO. 3 PLINERY



Jan.	Jan.	Jan.	Jan.
Feb.	Feb.	Feb.	Feb.
Mar.	Mar.	Mar.	Mar.
Apr.	Apr.	Apr.	Apr.
May	May	May	May
June	June	June	June
July	July	July	July
Aug.	Aug.	Aug.	Aug.
Sept.	Sept.	Sept.	Sept.
Oct.	Oct.	Oct.	Oct.
Nov.	Nov.	Nov.	Nov.
Dec.	Dec.	Dec.	Dec.
19 79	19 80	19 81	19



P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

December 22, 1981

CERTIFIED MAIL  
P15-3198422  
RETURN RECEIPT REQUESTED

NEW MEXICO OIL CONSERVATION COMMISSION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Perry Pierce, Legal Counsel

Re: Marathon Oil Company's Request for Exception to Rule 303-A  
C. J. Saunders Well No. 3, Drinkard and Blinebry Oil Pools  
Section 1, Township 22 South, Range 36 East  
Lea County, New Mexico

---

Dear Sirs:

Marathon Oil Company hereby requests an exception to Statewide Rule 303-A for its C. J. Saunders Well No. 3 ("Well") in Lea County, New Mexico, and as support therefore would show the Commission as follows:

1. The subject Well was originally drilled and completed as a Drinkard oil well in March, 1979. In October, 1979, the Drinkard Zone, perforated between 6533' and 6637', was temporarily abandoned and the Well was then completed up the wellbore, perforated between 5518' and 5870', as a Blinebry oil well. Both the Drinkard and the Blinebry Zones are classified as oil zones.
2. Production from the Drinkard Zone, prior to temporary abandonment, was nineteen (19) barrels of oil per day, four (4) barrels of water per day, and one hundred seventy-four thousand cubic feet (174 MCF) of gas per day. The Blinebry Zone is currently producing twenty-eight (28) barrels of oil per day, seventy-seven (77) barrels of water per day, and one hundred five thousand cubic feet (105 MCF) of gas per day. The total daily production of both zones, if each were being produced separately at this time, based upon the bottom perforation, lowermost pool, exceeds the forty (40) barrel per day limitation set out in paragraph (1)(b) of Rule 303-C, which permits the Division Director authority to grant an exception to Rule 303-A.
3. Both the Drinkard Zone and the Blinebry Zone require artificial lift for production.

4. The Blinebry Zone produces more water [seventy-seven (77) barrels] than the combined oil limit [forty (40) barrels], based upon the bottom perforation, lowermost pool, as determined from the table in Rule 303-C(1)(b).
5. The fluids from each zone are known to be compatible with the fluids from the other, and combining the fluids will not result in the formation of precipitates which might damage either reservoir.
6. The total value of the crude will not be reduced by commingling.
7. All of the interest owners are common to both of the zones desired to be commingled.
8. The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled.

Furthermore, the following information is provided to obtain down-hole commingling of the Drinkard Zone and Blinebry Zone:

1. The name and address of the Operator of the Well is:

Marathon Oil Company  
P. O. Box 2409  
Hobbs, New Mexico 88240

2. Lease Name and Well No.: C. J. Saunders No. 3  
Location of Well: 430' FNL and 2307' FWL of Section 1,  
Township 22 South, Range 36 East, Lea  
County, New Mexico
3. At the present time, only the Blinebry Zone is producing, the Drinkard Zone has been temporarily abandoned.
4. The C-116 forms filed for the subject Well regarding the Drinkard and Blinebry Oil Zones are attached hereto as Exhibit "A" and "B", respectively.
5. Separate production decline curves for the Drinkard and Blinebry Oil Zones are attached hereto as Exhibit "C" and "D", respectively.
6. The estimated bottom hole pressure for the Drinkard Zone is eight hundred pounds per square inch (800 psi). The latest bottom hole pressure for the Blinebry Zone is nine hundred seventy-eight pounds per square inch (978 psi).

New Mexico Oil Conservation Commission  
December 22, 1981  
Page 3

7. The Drinkard Zone and the Blinebry Zone are commonly commingled in the area and they are known to be compatible in the wellbore.
8. The oil produced from each zone will sell for essentially the same price commingled as it would if produced and sold separately. Therefore, the value of the commingled production will not be less than the sum of the values of the individual streams.
9. ~~All offset operators, including the United States Geological Survey, since the Well is on Federal land, have been notified in writing of the proposed commingling. A copy of all notification letters, and the responses Marathon has received to same, are attached hereto as Exhibits "E" through "L".~~

Please set this request for a hearing at your earliest convenience. Your attention to this matter is appreciated. Also, if you have any questions or if I may be of any further assistance, please contact me.

Very truly yours,

EVAN B. GLICK

EBG/rpl

cc: Mr. R. M. DePauw, Midland  
Mr. R. P. Scott, Midland  
Mr. R. L. McLean, Midland  
Mr. C. L. Roberts, Houston

Mr. P. A. Cooter  
ATWOOD, MALONE, MANN & COOTER  
P. O. Box 700  
Roswell, New Mexico 88201

P15 3198422

**EXHIBIT C - CERTIFIED MAIL**

NO INSURANCE FOLIO VALUE PROVIDED --  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

[illegible]

Dockets Nos. 4-82 and 5-82 are tentatively set for February 3 and February 17, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982**

**9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for February, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7462: Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinebry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7463: Application of Texaco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its C. H. Weir "A" Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, to produce oil from the Skaggs-Drinkard and an undesignated Abo pool.

CASE 7464: Application of Exxon Corporation for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two unorthodox oil well locations in Section 4, Township 19 South, Range 35 East, Scharb-Bone Spring Pool, as follows: State DD Well No. 1 to be drilled in the center of the SE/4 SW/4 and State DD Well No. 3 to be drilled in the center of the NW/4 NE/4. Pool rules require wells to be drilled in the NE/4 or SW/4 of a quarter section.

CASE 7465: Application of Superior Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 660 feet from the East line of Section 26, Township 24 South, Range 29 East, Wolfcamp-Pennsylvanian formations, the S/2 of said Section 26 to be dedicated to the well.

CASE 7466: Application of Conoco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for it and Southland Royalty Company to each institute a cooperative waterflood project in the Blinebry Oil and Gas Pool by the injection of water into the Blinebry formation through nine injection wells located on Conoco's Warren Unit and Hawk B-3 Leases and Southland's State Lease in Sections 33 and 34 of Township 20 South, Range 38 East, and Sections 2 and 3 of Township 21 South, Range 37 East.

CASE 7072: In the matter of Case No. 7072 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-6554 which order promulgated temporary special rules and regulations for the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 7460: (Continued from January 6, 1982, Examiner Hearing)

Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.

EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

**CASE 7467:** Application of Inexco Oil Company for pool creation, special pool rules, and a discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks creation of a new Strawn oil pool for its Lottie York Well No. 1 located in Unit 7 of Section 14, Township 17 South, Range 37 East, and the promulgation of special rules therefor, including a provision for 80-acre spacing. Applicant further seeks the assignment of 57,150 barrels of oil discovery allowable to said well.

**CASE 7459:** (Continued from January 6, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

**CASE 7410:** (Continued from January 6, 1982, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

**CASE 7451:** (Continued from January 6, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 11, Township 6 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

**CASE 7453:** (Continued from January 6, 1982, Examiner Hearing)

Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon. Also to be considered will be the cost of re-entering and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entry of said well.

**CASE 7457:** (Continued from January 6, 1982, Examiner Hearing)

Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

**CASE 7468:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Paddock production and designated as the East Monument-Paddock Pool. The discovery well is Morris R. Antweil State SX Well No. 1 located in Unit J of Section 36, Township 19 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM  
Section 36: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Ross Draw-Morrow Gas Pool. The discovery well is Florida Exploration Company Ross Draw Unit Well No. 10 located in Unit E of Section 27, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM  
Section 27: N/2



EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

- (c) CREATE a new Pool in Lea County, New Mexico, classified as an oil pool for Morrow production and designated as the Scott-Morrow Pool. The discovery well is Santa Fe Energy Company State NM2 Well No. 1 located in Unit M of Section 2, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM  
Section 2: SW/4

- (d) EXTEND the Angell Ranch-Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 12: All  
Section 13: N/2

- (e) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 31 EAST, NMPM  
Section 27: N/2  
Section 28: E/2

- (f) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 23: S/2 S/2  
Section 26: W/2 NW/4

- (g) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 14: SW/4 SE/4

- (h) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 25: W/2  
Section 26: S/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 17: N/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 14: S/2  
Section 23: W/2

- (i) EXTEND the Cinta Roja-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM  
Section 8: All

- (j) EXTEND the South Culebra Bluff-Atoka Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 36: W/2

- (k) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 7: S/2

- (l) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 30: E/2  
Section 32: S/2

PAGE 4

EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

- (m) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM  
Section 12: E/2

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM  
Section 7: W/2

- (n) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 29: E/2 SE/4

- (o) EXTEND the Southwest Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 10: E/2

- (p) EXTEND the Leo-Queen-Graybury Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Section 23: N/2 NE/4

- (q) EXTEND the West Lynch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
Section 32: N/2  
Section 33: NW/4

- (r) EXTEND the North San Simon-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM  
Section 33: E/2 NW/4

- (s) EXTEND the South Saunders-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM  
Section 25: N/2

- (t) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 9: NW/4

- (u) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM  
Section 8: S/2 NW/4 and SW/4

- (v) EXTEND the Winchester-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

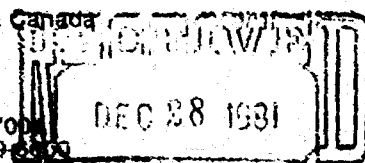
TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 3: W/2



**Marathon  
Oil Company**

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6500



OIL CONSERVATION DIVISION  
SANTA FE

December 22, 1981

CERTIFIED MAIL  
P15-3198422  
RETURN RECEIPT REQUESTED

NEW MEXICO OIL CONSERVATION COMMISSION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*Case 7462*

Attention: Mr. Perry Pierce, Legal Counsel

Re: Marathon Oil Company's Request for Exception to Rule 303-A  
C. J. Saunders Well No. 3, Drinkard and Blinebry Oil Pools  
Section 1, Township 22 South, Range 36 East  
Lea County, New Mexico

Dear Sirs:

Marathon Oil Company hereby requests an exception to Statewide Rule 303-A for its C. J. Saunders Well No. 3 ("Well") in Lea County, New Mexico, and as support therefore would show the Commission as follows:

1. The subject Well was originally drilled and completed as a Drinkard oil well in March, 1979. In October, 1979, the Drinkard Zone, perforated between 6533' and 6637', was temporarily abandoned and the Well was then completed up the wellbore, perforated between 5518' and 5870', as a Blinebry oil well. Both the Drinkard and the Blinebry Zones are classified as oil zones.
2. Production from the Drinkard Zone, prior to temporary abandonment, was nineteen (19) barrels of oil per day, four (4) barrels of water per day, and one hundred seventy-four thousand cubic feet (174 MCF) of gas per day. The Blinebry Zone is currently producing twenty-eight (28) barrels of oil per day, seventy-seven (77) barrels of water per day, and one hundred five thousand cubic feet (105 MCF) of gas per day. The total daily production of both zones, if each were being produced separately at this time, based upon the bottom perforation, lowermost pool, exceeds the forty (40) barrel per day limitation set out in paragraph (1)(b) of Rule 303-C, which permits the Division Director authority to grant an exception to Rule 303-A.
3. Both the Drinkard Zone and the Blinebry Zone require artificial lift for production.

<sup>19</sup>  
BI 28 BOPD 77 BWPD 105 MCF PD  
Dr 19 BOPD 4 BWPD 174 MCF PD

*May*  
40 BOPD both  
40 BWPD either

4. The Blinebry Zone produces more water [seventy-seven (77) barrels] than the combined oil limit [forty (40) barrels], based upon the bottom perforation, lowermost pool, as determined from the table in Rule 303-C(1)(b).
5. The fluids from each zone are known to be compatible with the fluids from the other, and combining the fluids will not result in the formation of precipitates which might damage either reservoir.
6. The total value of the crude will not be reduced by commingling.
7. All of the interest owners are common to both of the zones desired to be commingled.
8. The commingling will not jeopardize the efficiency of present or future secondary recovery operations in either of the zones to be commingled.

Furthermore, the following information is provided to obtain down-hole commingling of the Drinkard Zone and Blinebry Zone:

1. The name and address of the Operator of the Well is:

Marathon Oil Company  
P. O. Box 2409  
Hobbs, New Mexico 88240

2. Lease Name and Well No.: C. J. Saunders No. 3  
Location of Well: 430' FNL and 2307' FWL of Section 1,  
Township 22 South, Range 36 East, Lea  
County, New Mexico
3. At the present time, only the Blinebry Zone is producing, the Drinkard Zone has been temporarily abandoned.
4. The C-116 forms filed for the subject Well regarding the Drinkard and Blinebry Oil Zones are attached hereto as Exhibit "A" and "B", respectively.
5. Separate production decline curves for the Drinkard and Blinebry Oil Zones are attached hereto as Exhibit "C" and "D", respectively.
6. The estimated bottom hole pressure for the Drinkard zone is eight hundred pounds per square inch (800 psi). The latest bottom hole pressure for the Blinebry Zone is nine hundred seventy-eight pounds per square inch (978 psi).

New Mexico Oil Conservation Commission  
December 22, 1981  
Page 3

7. The Drinkard Zone and the Blinebry Zone are commonly commingled in the area and they are known to be compatible in the wellbore.
8. The oil produced from each zone will sell for essentially the same price commingled as it would if produced and sold separately. Therefore, the value of the commingled production will not be less than the sum of the values of the individual streams.
9. All offset operators, including the United States Geological Survey, since the Well is on Federal land, have been notified in writing of the proposed commingling. A copy of all notification letters, and the responses Marathon has received to same, are attached hereto as Exhibits "E" through "L".

Please set this request for a hearing at your earliest convenience. Your attention to this matter is appreciated. Also, if you have any questions or if I may be of any further assistance, please contact me.

Very truly yours,



EVAN B. GLICK

EBG/rpl

cc: Mr. R. M. DePauw, Midland  
Mr. R. P. Scott, Midland  
Mr. R. L. McLean, Midland  
Mr. C. L. Roberts, Houston

Mr. P. A. Cooter  
ATWOOD, MALONE, MANN & COOTER  
P. O. Box 700  
Roswell, New Mexico 88201


NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator	Marathon Oil Company		Pool	Drinkard		County	Lea								
Address	P.O. Box 2409 Hobbs, New Mexico 88243						TYPE OF TEST - (X)	Scheduled <input checked="" type="checkbox"/>	Completion <input type="checkbox"/>	Special <input type="checkbox"/>					
LEASE NAME	WELL NO.	U	S	R	DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	WATER BDL.	PROD. GRAV. OIL	OIL BDL.	GAS M.C.F.	GAS - OIL RATIO CU. FT./BDL.	
McDonald State A/C 2	29	H	13	21S	36E	1-23-79	F 29/64	125	142	24	3	33.5	142	392	2761
	30	A	13	21S	36E	1-24-79	P -	30	142	24	5	36	93	199	2140
	31	C	13	21S	36E	1-25-79	P -	30	142	24	22	36	81	146	1802
	32	B	13	21S	36E	1-26-79	P -	30	80	24	39	36	64	156	2438
C. J. Saunders	3	C	1	21S	36E	4-25-79	P -	30	142	24	39	36	30	65	2167
Lou Worthan	10	D	11	21S	37E	3-5-79	F 32/64	225	Gas well	24	0	42	1	1036	1036000
	11	F	11	21S	37E	3-6-79	F 28/64	450	Gas well	24	0	42	0	365	-
	12	H	11	21S	37E	3-7-79	Temporarily Abandoned	340	Gas well	24	0	42	1	816	816000
	13	C	11	22S	37E	3-20-79	F 48/64	700	Gas well	24	0	42	1	619	619000
	15	G	11	22S	37E	3-27-79	F 22/64	425	Gas well	24	0	42	0	23	-
	17	E	11	22S	37E	3-11-79	F 26/64	50	Gas well	24	1	36	2	304	152000
	1	O	5	22S	37E	3-25-79	F 40/64	125	2	24	2	36	3	100	33333
Dayton Hardy	2	I	20	21S	37E	3-2-79	F 27/64	260	Gas well	24	1	35	4	560	140000
	1	N	27	21S	37E	3-3-79	F 24/64	160	Gas well	24	0	35	3	312	104000
	2	K	27	21S	37E	3-8-79	F 36/64	100	13	24	0	35	2	500	250000
	3	L	27	21S	37E	3-9-79	F 25/64	205	8	24	1	35	19	740	38947
W. S. Marshall "B"	1	O	5	22S	37E	3-11-79	F 26/64	50	Gas well	24	1	36	2	304	152000
	2	I	20	21S	37E	3-25-79	F 40/64	125	2	24	2	36	3	100	33333
	1	N	27	21S	37E	3-2-79	F 27/64	260	Gas well	24	1	35	4	560	140000
	2	K	27	21S	37E	3-3-79	F 24/64	160	Gas well	24	0	35	3	312	104000

No well will be assigned an allowable greater than the amount of oil produced on the official test.  
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 involved by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowable when authorized by the Commission.  
Gas volumes must be reported in MCV 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.  
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 391 and appropriate pool rules.

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

  
(Signature)  
Engineering Technician  
May 3, 1979

DIST: RLMC, CRH, FILE

NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

Form C-116  
Revised 1-1-65

Operator <b>Marathon Oil Company</b>		County <b>Lea</b>										
Address <b>P.O. Box 2409, Hobbs, NM 88240</b>		Type of Test - (X) <b>Drinking Water</b>										
LEASE NAME <b>C. J. Saunders</b>	WELL NO. <b>3</b>	LOCATION <b>U S T R</b>	DATE OF TEST <b>3-29-79</b>	STATUS	CHOKE SIZE <b>N/A</b>	TBG. PRESS. <b>N/A</b>	DAILY ALLOW-ABLE <b>142</b>	LENGTH OF TEST <b>24</b>	PRD. DURING TEST			GAS - OIL RATIO CU.FT./BBL.
			DATE OF TEST <b>3-29-79</b>	STATUS	CHOKE SIZE <b>N/A</b>	TBG. PRESS. <b>N/A</b>	DAILY ALLOW-ABLE <b>142</b>	LENGTH OF TEST <b>24</b>	WATER DLS. <b>86</b>	GRAV. OIL DLS. <b>35.9</b>	OIL DLS. <b>55</b>	GAS M.C.F. <b>254</b>
<p>20-30 day after completion</p>												

No well will be assigned an allowable greater than the amount of oil produced on the official test.  
During flow 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 allowable when authorized by the Commission.  
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.  
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and applicable well rules.

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

Production Engineer  
(Signature)  
April 16, 1979  
(Date)

DIST: RLMc, CRH, FILE

U. S. DEPT. OF JUSTICE

FORM C-716

County	Person	Owner
Lea	Carlton IV	Marathon Oil Company

153

Crucial ☐

OCT 04 1981

ENGINEERING SECTION  
MIDLAND DISTRICT  
MIDLAND, TEXAS

During general sales test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which wells are rated by more than 25 percent. Operator is encouraged to take advantage of 0 to .35 percent tolerance in order that well can be allocated increased allowance when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.725 psia and a temperature of 60° F, specific gravity base of 0.60.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with the 321 and appropriate pool rules.

Mike Stearns  
(Sinnott)

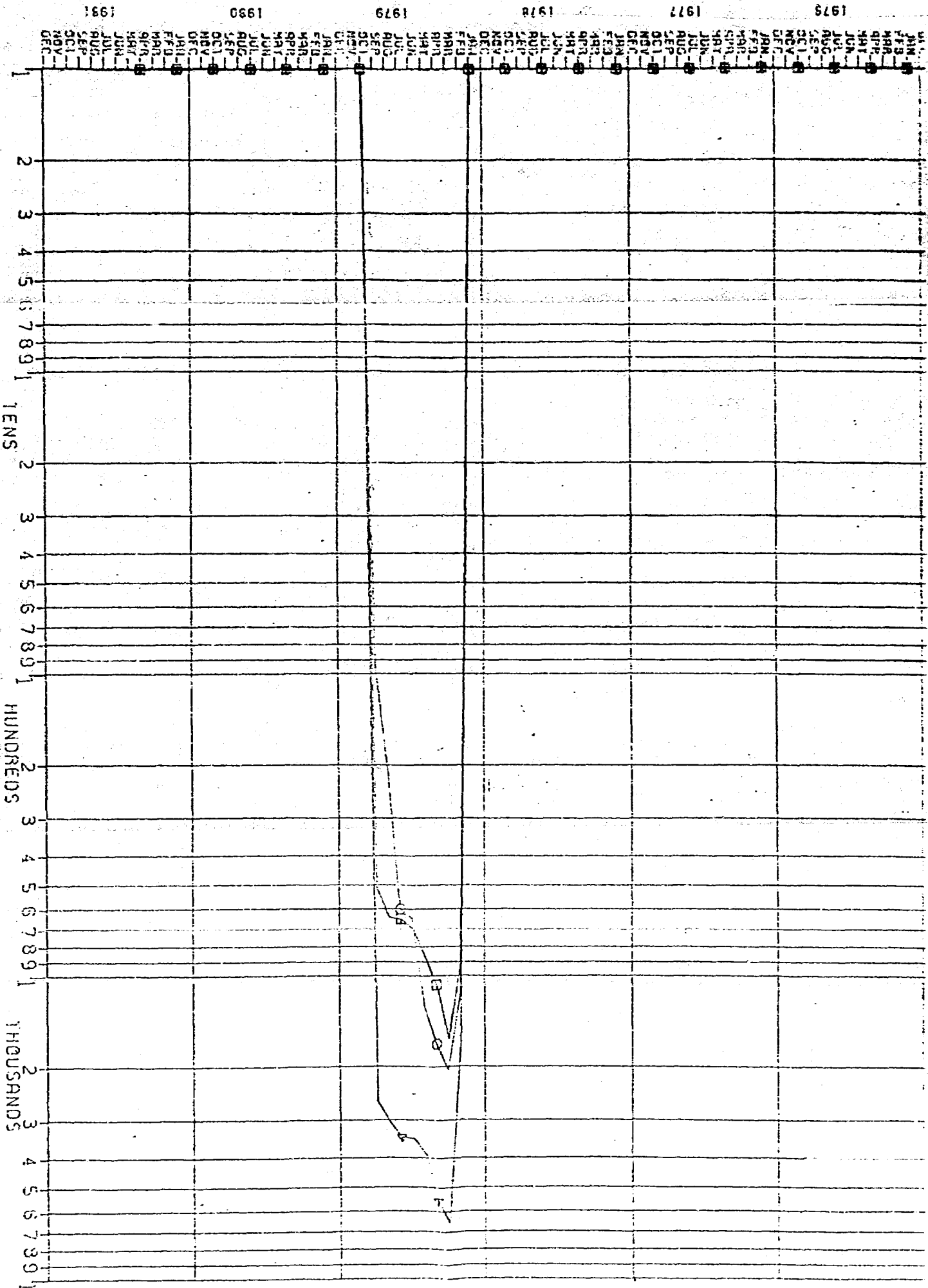
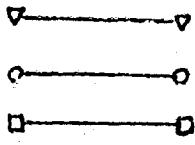
# Engineering Technicians

EXHIBIT "B"



C.J. Saunders No. 3  
Drinking Oil

Oil  
Water  
Gas

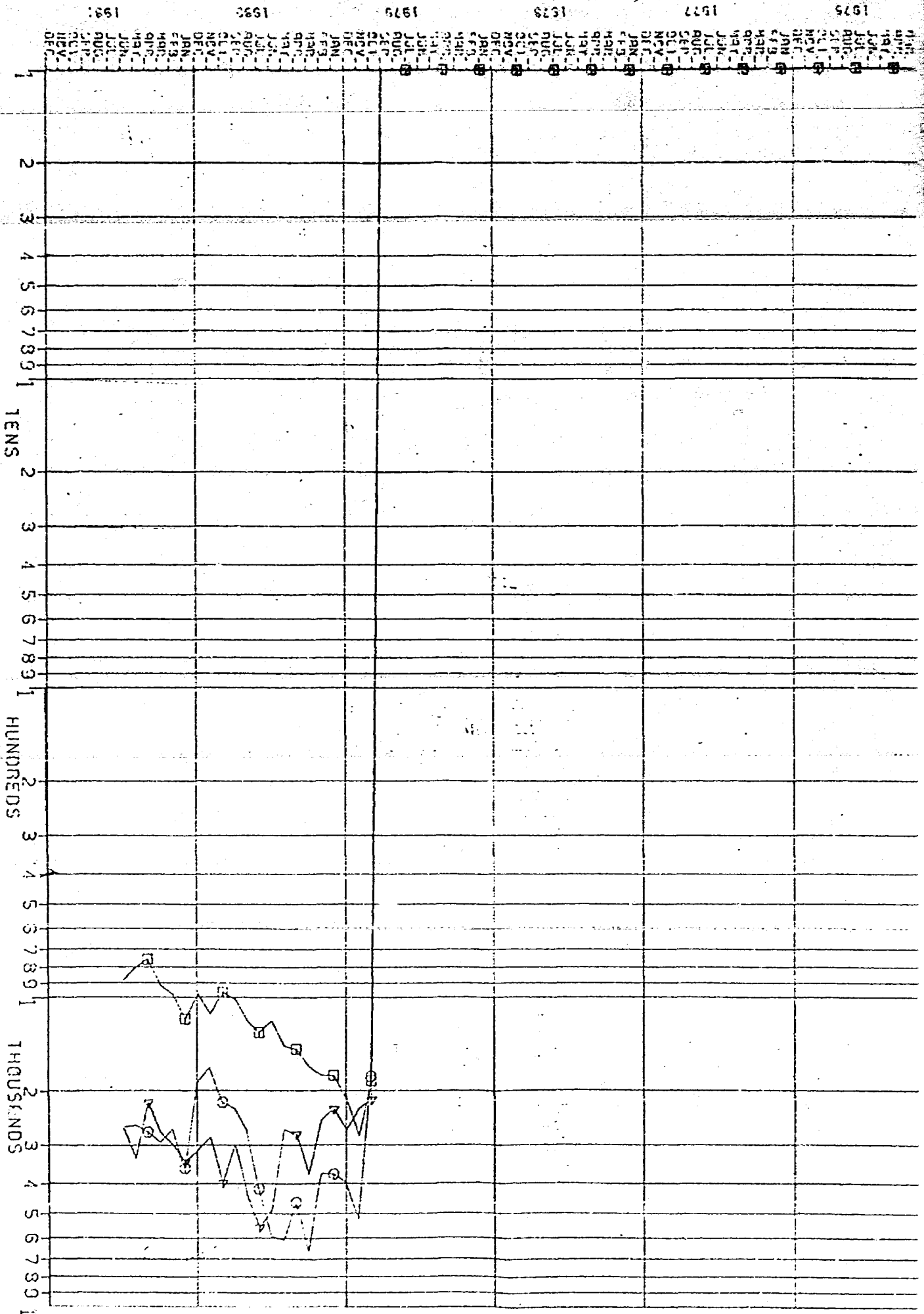


BBL OR MCF

# EXHIBIT "D"

C. J. Saunders No. 3  
Blindery Oil

Oil ———— □  
Water ———— ○  
Gas ———— △



file  
Evan B. Glick  
Attn:  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

November 12, 1981

**CERTIFIED MAIL**  
**NO. P15-3198414**  
**RETURN RECEIPT REQUESTED**

Hanson Oil Corporation  
P. O. Box 1515  
Roswell, New Mexico 88201

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

A large, stylized handwritten signature of Evan B. Glick.

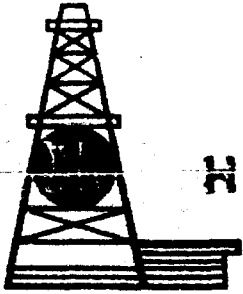
EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

EXHIBIT "E"

**HANSON OIL CORPORATION**

P.O. BOX 1515

ROSWELL, NEW MEXICO 88201

PHONE AC 505-822-7330

November 16, 1981

Marathon Oil Company  
Post Office Box 3128  
Houston, Texas 77001

Attention: Mr. Evan B. Glick

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinbry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (MN-699)

Gentlemen:

This letter is to advise you that Hanson Oil Corporation has no objection to Marathon's proposal as outlined in your letter of November 12, 1981 relative to the above caption.

Very truly yours,

HANSON OIL CORPORATION

A handwritten signature in dark ink, appearing to read "Ray Willis".

Ray Willis  
Vice-President, Land & Finance

RW/bk

EXHIBIT "F"

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL  
NO. P15-3198805  
RETURN RECEIPT REQUESTED**

Conoco Oil Corporation  
P. O. Box 640  
Hobbs, New Mexico 88240

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Brinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Evan B. Glick', written over a circular stamp.

EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

EXHIBIT "G"



Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

Conoco Inc.  
P.O. Box 460  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141

October 28, 1981

Marathon Oil Company  
P.O. Box 3128  
Houston, Texas 77001

Attention Mr. Evan B. Glick

Gentlemen:

Marathon Oil Company's Proposed Commingling of the Drinkard and Blinebry  
Oil Pools - C. J. Saunders Well No. 3 - Section 1, T-22S, R-36E,  
Arrowhead Field, Lea County, New Mexico (NM-699)

Conoco Inc. has no objection to your proposed commingling as contained  
in your letter dated October 15, 1981, above subject.

Very truly yours,

HAI:rej

EXHIBIT "H"

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL  
NO. P15-3198806  
RETURN RECEIPT REQUESTED**

Gulf Oil Corporation  
P. O. Box 670  
Hobbs, New Mexico 88240

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Evan B. Glick', written over a horizontal line.

EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

EXHIBIT "I"

# Gulf Oil Exploration and Production Company

J. M. Thacker  
GENERAL MANAGER PRODUCTION  
SOUTHWEST DISTRICT

P. O. Drawer 1150  
Midland, TX. 79702

November 6, 1981

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Re: Request for Downhole Commingling  
Marathon Oil Company's  
C. J. Saunders Well No. 3  
Drinkard & Blinbry Oil Pools  
Lea County, New Mexico

This is to advise that Gulf Oil Corporation has been given due notice that Marathon Oil Company is requesting downhole commingling authority for the subject well. We have no objection to the granting of this application for the well above which is located in:

Unit C, Section 1, T-22-S,  
R-36-E, Lea County, New Mexico

Executed this 6th day of November, 1981.

Yours very truly,

GULF OIL CORPORATION

By: C. F. Kalteyer  
C. F. Kalteyer  
Chief Proration Engineer

CFK/da



A DIVISION OF GULF OIL CORPORATION

EXHIBIT "J"



Evan B. Glick  
Attorney  
Houston, Texas  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL  
NO. P15-3198376  
RETURN RECEIPT REQUESTED**

**Cities Service Company**  
P. O. Box 1919  
Midland, Texas 79702

**Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)**

Gentlemen:

Please allow this letter to serve as notice to you, as an off-set operator to the subject property, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Evan B. Glick', written over a large, stylized circular flourish.

EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P.O. Box 700  
Roswell, New Mexico 88201

EXHIBIT "K"

Evan B. Glick  
Attorney  
Houston Division  
Production, U.S. & Canada



**Marathon  
Oil Company**

P.O. Box 3128  
Houston, Texas 77001  
Telephone 713/629-6600

October 15, 1981

**CERTIFIED MAIL**  
**NO. P15-3198378**  
**RETURN RECEIPT REQUESTED**

U. S. Geological Survey  
Central Region  
Box 25046  
Denver Federal Center  
Denver, Colorado 80225

Re: Marathon Oil Company's Proposed Commingling  
of the Drinkard and Blinebry Oil Pools  
C. J. Saunders Well No. 3  
Section 1, Township 22 South, Range 36 East  
Arrowhead Field, Lea County, New Mexico (NM-699)

Gentlemen:

Please allow this letter to serve as notice to you, since the subject property is on Federal land, of Marathon Oil Company's proposal to commingle the Drinkard and Brinebry oil pools in our C. J. Saunders Well No. 3 in Lea County, New Mexico. Marathon is completing the compilation of data for submission to the New Mexico Oil Conservation Commission of an application for an Exception to Statewide Rule 303, Segregation of Production From Pools.

Upon your review of the basis of Marathon's proposal, if your company has no objection, please indicate the same to me, in writing, at the address listed on my letterhead. If you have any questions, please feel free to contact me.

Thank you in advance for your attention to this regard.

Very truly yours,



EVAN B. GLICK

EBG/rpl

cc: Mr. R. P. Scott, Midland  
Mr. R. W. DePauw, Midland

Mr. Paul Cooter  
ATWOOD, MALONE MANN & COOTER  
Security National Bank Building  
P. O. Box 700  
Roswell, New Mexico 88201

EXHIBIT "L"

*Horbie  
Dog*

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

*W. H. S.*

CASE NO. 7462

Order No. R-6924

*RLI*

APPLICATION OF MARATHON OIL COMPANY  
FOR DOWNHOLE COMMINGLING, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on ~~February 3,~~ *Feb 17*  
1982, at Santa Fe, New Mexico, before Examiner ~~Daniel S. Nutter.~~ *R.L.S.*

NOW, on this \_\_\_\_\_ day of February, 1982, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Marathon Oil Company, is the owner and operator of the C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Drinkard and Blinebry production within the wellbore of the above-described well.

(4) That from the Drinkard zone, the subject well is capable of low marginal production only.

(5) That from the Blinebry zone, the subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be

caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) (ALTERNATE) That in order to allocate the commingled production to each of the commingled zones in the subject well, 40 percent of the commingled oil production and 54 percent of the commingled gas production should be allocated to the Drinkard zone, and with the remainder being allocated percent of the commingled production to the Blinebry zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Marathon Oil Company, is hereby authorized to commingle Drinkard and Blinebry production within the wellbore of the C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(ALTERNATE)

(2) That 40 percent of the commingled oil production and 54 percent of the commingled gas production shall be allocated to the Drinkard zone and with the remainder being allocated to the percent of the commingled production shall be allocated to the Blinebry zone.

(3) That the operator of the subject well shall immediately notify the Division's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

JOE D. RAMEY,  
Director

S E A L

PLANTATION, DEAN COUNTY, NEW MEXICO

DOCKET MAILED

Date 1/8/82