



BRUCE KING
GOVERNOR

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



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 5, 1991

Marathon Oil Company
P.O. Box 2409
Hobbs, NM 88241

Attention: Steven P. Guidry, Area Superintendent

*RE: Pioneer Federal Com Well
No. 1; G-19-T21S-R27E,
Eddy County, New Mexico.*

Dear Mr. Guidry:

The Division has received your downhole commingling application dated November 4, 1991 and will be acting upon shortly. However, I have yet to receive an application for the unorthodox location of both the Atoka and Strawn intervals. My investigation into this matter has also turned up Wolfcamp production in the month of August, 1991. The current order for the well (NSL-1781) converted only the Morrow Gas production. I would strongly suggest your application be worded to include all three intervals. I will also point out that technically without this authorization your production is illegal and your well is subject to shut-in.

What is the history of the reported Wolfcamp production for one day in February, 1991 and one day in August, 1991? It was erroneously reported as North Burton-Flat Wolfcamp Gas Pool production. It should have been reported and shall be corrected by way of an amended C-115 to read Undesignated East Carlsbad Wolfcamp Gas Pool.

A final item has to do with your current and future reporting of production as being from the La Huerta Strawn Gas Pool and/or La Huerta Atoka Gas Pool. The N/2 of Section 19 is adjacent to the La Huerta Atoka Gas Pool and, unless otherwise advised by the OCD Artesia District Office, should be reported as such. There are no Strawn gas pools within one mile of the spacing unit, but there are four Strawn gas pools within two miles. Pursuant to Division General Rule 104.A, the Strawn formation is considered wildcat and should be reported as such until the Artesia District Office either places the well in one of the existing pools or creates a new one.

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Once the downhole commingling order is issued, please submit amended C-115s indicating the correct allocation of volumes to the appropriate intervals.

Again, please submit your application for the unorthodox location of this well in the Wolfcamp, Strawn and Atoka formations pursuant to the requirements in General Rule 104.F(3) as soon as possible.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,



Michael E. Stogner
Chief Hearing Examiner/Engineer

MES/ag

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad
Oil Conservation Division - Santa Fe: David Catanach
Sarah Archuleta