ONL CONSERVA FOR DIVISION RECEIVED



735 日本 19 8 52 P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

April 26, 1996

Certified Mail #P377874007

Mr. Michael E. Stogner Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505



RE: Application for Unorthodox Well Location

Hansen State No. 3 660' FNL & 990' FEL Sec. 16, T-20-S, R-37-E Lea County, New Mexico

Dear Mr. Stogner:

Marathon Oil Company proposes to reenter the above referenced San Andres producer and deepen to the Cass (Penn) pool. Enclosed please find our amended application for an unorthodox well location which we respectfully request to be administratively approved.

By copy of this letter and application, sent certified mail, we are notifying all interested parties of our intent to reenter this well.

In reentering this well, we expect to test for oil production in the Monument (Tubb) pool with standard 80 acre spacing, Weir (Blinebry) and Monument (Paddock) pools with standard 40 acre spacing, Skaggs (Abo) pool with standard 160 acre spacing, and Cass (Penn) pool with 80 acre spacing. All pools that we propose to test are orthodox except the Cass (Penn).

The Cass (Penn) pool rules provide that a well shall be drilled within 150 feet of the center of quarter-quarter section. This well located at 660' FNL and 990' FEL is 180 feet outside of the radius for an orthodox Cass (Penn) well. The estimated reserves for the Cass (Penn). Do not justify a stand alone well or the incremental expense to directionally drill to an orthodox Penn bottom hole location.

Letter PAGE -2-

Marathon seeks approval of the unorthodox well location so we may reenter and test the Cass (Penn) as secondary potential and Tubb and Blinebry as primary potential.

This well only encroaches a spacing unit (NW/4, NW/4) which has the same ownership as the subject 40 acre spacing unit. Marathon Oil Company operates the entire NE/4 of Section 16.

In accordance to Division Rule 1207, notification si being sent to those parties listed on Exhibit "A".

Should you have any questions, please feel free to call me at (800) 351-1417.

Respectfully,

Walter J. Dueease

MARATHON OIL COMPANY

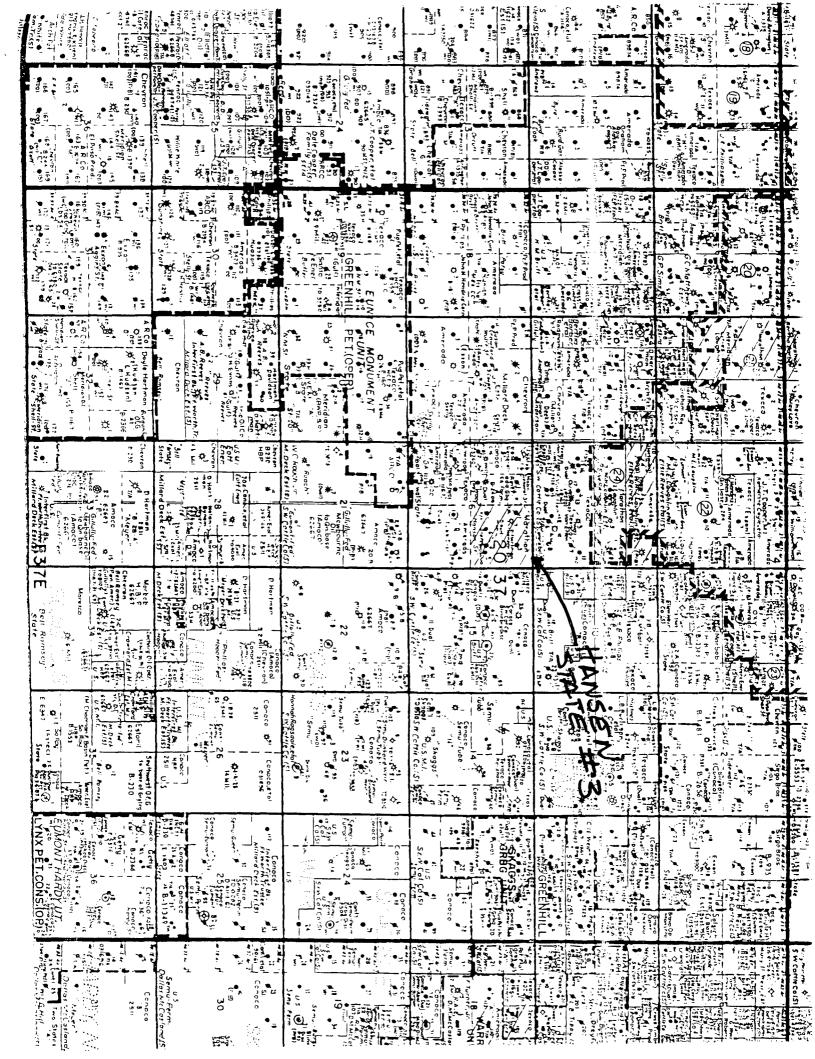


P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

April 26, 1996

Hansen State No. 3 Exhibit "A"

Texaco E& P 500 N. Loraine Midland, Texas 79701



State of New Mexico Energy, Minerals & Natural Resources Department

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

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Revised February 10, 1994
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Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

X AMENDED REPORT

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State of New Mexico Energy, Minerals & Natural Resources Department

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District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV

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X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

HANSEN STATE WELL NO. 3 NMOCD FORM C-101 SECTION 22, PAGE 2

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- 2. MIRU Rod Ric drilling rig.
- NU BOPE and test.
- 4. RIH and spot LCM pill across Grayburg openhole: 3700' 3887'
- 5. Establish circulation and drill 6 1/8" hole from 3887' 8000'.
- 6. Run openhole logs.
- 7. Run 4 ½", 11.6 lb/ft, K-55, LT&C casing from surface to TD. Cement casing with 410 sx. Estimated cement top to be at 3000' from surface.
- RD Rod Ric drilling rig.
- MIRU CU. RIH w/bit and casing scraper. Circulate hole. POOH.
- 10. Run GR-CBL-CCL. Perforate Cass (Penn) formation. Perforations will be picked from open hole logs.
- 11. Acidize Penn perforations for breakdown and sand fracture stimulate Penn perforations.
- 12. Cleanout any fill and RIH with production tubing and packer.
- 13. RDMO CU.
- 14. Open well to sales.

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- 5 Sec. 47 (R-3530, 11-1-68) Ext. 2/2 Sec. 15 (R-8626, 4/1/188).

Ext: 3/2 Sec. 9, NE/1 Sec. 16 (R-9843; 2-8-93)

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PO Box 2088, Santa Fe, NM 87504-2088

District IV

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²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.								OIL C	DNSERVATIO	ON/DIVI	SЮ	N
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- 13. RDMO CU.
- 14. Open well to sales.



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PANAFAX TRANSMITTAL SHEET

SEND THE POLLOW	ING PAGES 10.	
NAME	MILHAEL STOENER	
COMPANY NAME	NMOCD	
LOCATION		
PANAFAX NUMBER:	· · · · · · · · · · · · · · · · · · ·	
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A subsidiary of USX Corporation

An Equal Opportunity Employer

Mr. Michael E. Stogner Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

RE: Application for Unorthodox Well Location Hansen State No. 3 660' FNL & 990' FEL Sec. 16, T-20-S, R-37-E

Lea County, New Mexico

Dear Mr. Stogner:

Marathon Oil Company proposes to reenter the above referenced San Andres producer and deepen to the Cass (Penn) pool. Enclosed please find our amended application for an unorthodox well location which we respectfully request to be administratively approved.

By copy of this letter and application, sent certified mail, we are notifying all interested parties of our intent to reenter this well.

In reentering this well, we expect to test for oil production in the Monument (Tubb) pool with standard 80 acre spacing, Weir (Blinebry) and Monument (Paddock) pools with standard 40 acre spacing, Skaggs (Abo) pool with standard 160 acre spacing, and Cass (Penn) pool with 80 acre spacing. All pools that we propose to test are orthodox except the Cass (Penn).

The Cass (Penn) pool rules provide that a well shall be drilled within 150 feet of the center of quarter-quarter section. This well located at 660' FNL and 990' FEL is 180 feet outside of the radius for an orthodox Cass (Penn) well. The estimated reserves for the Cass (Penn). Do not justify a stand alone well or the incremental expense to directionally drill to an orthodox Penn bottom hole location.

Letter PAGE -2-

Marathon seeks approval of the unorthodox well location so we may reenter and test the Cass (Penn) as secondary potential and Tubb and Blinebry as primary potential.

This well only encroaches a spacing unit (NW/4, NW/4) which has the same ownership as the subject 40 acre spacing unit. Marathon Oil Company operates the entire NE/4 of Section 16.

In accordance to Division Rule 1207, notification si being sent to those parties listed on Exhibit "A".

Should you have any questions, please feel free to call me at (800) 351-1417.

Respectfully,

Walter J. Dueease

MARATHON OIL COMPANY



P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

April 26, 1996

Texaco E&P 500 N. Lorraine Midland, Texas 79701 Attn: Mr. Frank Gray

RE: Unorthodox Well Location

Hansen State No. 3 660' FNL & 990' FEL Sec. 16, T-20-S, R-37-E Lea County, New Mexico

Dear Mr. Gray:

Marathon Oil Company proposes to reenter its Hansen State No. 3 and deepen the well from the San Andres to the Cass (Penn) pool. This well is a standard location to test all zones to the Cass (Penn) pool. However, the Cass (Penn) pool rules require a well to be located within 150 foot radius of the center of the quarter-quarter section. The estimated reserves for a Cass (Penn) well do not justify a stand alone well or the incremental expense to directionally drill to an orthodox Penn location.

Marathon Oil Company is the operator of the entire NE/4 of Section 16 with common ownership throughout the entire quarter section. The proposed deepening would only encroach on a quarter section which is operated by Marathon Oil Company.

As offset operator, you are hereby notified of Marathon's intent to deepen the above referenced well to an unorthodox location in the Cass (Penn) pool.

Letter

Date

4-29-1996 8:10AM

Page -2-

Should you have no objection to Marathon's intent, please signify by signing below and return one executed copy to me in the envelope provided. Please call me if you have questions regarding this matter at (800) 351-1417.

6878337

Respectfully, Walter J. Dueease Signature Name Texaco E&P

State of New Mexico Energy, Minerals & Natural Resources Department

6878337

District I PO Box 1980, Hobbs, NM 88241-1980 District II 811 S. Ist Street, Artesia, NM 88210-2834 District III

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4/27/96

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Phone:

915/682-1626

DRILLING SUPERINTENDENT

4-29-1996 8:11AM

OIL CONSERVATION DIVISION P.O. Box 2088

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District IV		Santa	Fe, NM 8	7504-208	8			Fee Lease - 5 Copie		
PO Box 2068, Santa Fe, NM 87504-2088							X AM	ENDED REPORT		
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11 11 11 11 11	12 W. 11 Twee C	Sada .	13 Colle	/D	147	M C-1-	156	47 - 177		
11 Work Type Code	12 Well Type C	.000	13 Cable/	Kotury	14 Tol	ise Type Code	, Ottom	nd Level Elevation		
D	0_			R		S		3563'		
16 Multiple	17 Proposed De	bru	18 Form	ations	,,,	Contractor	20	Spud Dato		
N	8000,	21 Propo		JBB ROD RIC 5/15/96 and Cement Program				5/15/96		
Hole Size	Casing Size		weight/foot	Setting		Sacks of Comer		Estimated TOC		
17"		Casing								
8.3/4"	*9 5/8" *7"	 	NA	260 370		200 800		CIRCULATED NA		
6 1/8"	4 1/2"		1.6	800		550		3000'		
*FXISTING CASING				l						
Describe the proposed program. Describe the blowout prevention pro	If this application is a versus, if any. Use a	to DEEPEN Iditional she	or PLUG BAC	K give the dat	a on the prese	ent productive zone	and proposed	new productive zone.		
1				•	NDRFS T	O THE CASS	(PENN)	THE LOCATION		
MARATHON PROPOSES TO IS UNORTHODOX FOR TH DIRECTOR FOR ADMINIS	E CASS (PEN TRATIVE APP	N) ÖNLY ROVAL.	7. AN AP	PLIČATIO	N HAS B	ĔEN FILED W	ith The	DÍVISION		
SEE ATTACHED SHEET.										
23 I hereby certify that the information given above is true and complete to the best of my knowledge and keliof					OIL CONSERVATION DIVISION					
Signature: W. C. Maria		Approved by:								

Title:

Approval Date:

Attached [

Conditions of Approval:

Expiration Date:

State of New Mexico Energy, Minerals & Natural Resources Department

6878337

District I PO Box 1980, Hobbs, NM 88241-1980 District II 811 S. 1st Street, Artesia, NM 88210-2834 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fc, NM 87504-2088

. 4-29-1996 8:11AM

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r	·	² Pool	Code			⁹ Pool Name					
30-	025-06	126		470	90	MONU	MENT: TUBB						
⁴ Property					5	Property Na	me			6	Well Number		
639	8	HANS	N STATE			Operator Na			3 9 Elevation				
7 OGRID	No.					Operator Na	me						
1402	21	Mara	thon Oil	Compa	my C	C T4	7				3563'		
T VW1	Section	Township		Lot. Id	Sur	face Locat	North/South Line	Poet from the	Bost/W	Vest line County			
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	r <u>-</u>	1							Γ=				
UL or lot no.	Section	Township	Range	Lot. Id	in Feet	from the	North/South Line	Foot from the	East/W	est line	County		
12 Dedicated Acre	s 13 Join	or Infili	¹⁴ Consolidation	n Code	15 Order No	-	.l	1	1				
80		N	ī										
	VABLE V		ASSIGNED	то тн	IS COMP	LETION U	JNTIL ALL INT	ERESTS HAV	E BEEN	V CON	SOLIDATED		
		OR A	NONSTA	NDAR	D UNIT H	AS BEEN	APPROVED BY	Y THE DIVISION	NC				
						111	7///	17 OPERA	TOR C	ERTIF	ICATION		
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P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

HANSEN STATE WELL NO. 3 NMOCD FORM C-101 SECTION 22, PAGE 2

- 1. MIRU PU. POOH with rods and tubing. Fish packer at 3875'. RDMO PU.
- 2. MIRU Rod Ric drilling rig.
- 3. NU BOPE and test.
- 4. RIH and spot LCM pill across Grayburg openhole: 3700' 3887'
- 5. Establish circulation and drill 6 1/8" hole from 3887' 8000'.
- 6. Run openhole logs.
- 7. Run 4 ½", 11.6 lb/ft, K-55, LT&C casing from surface to TD. Cement casing with 410 sx. Estimated cement top to be at 3000' from surface.
- 8. RD Rod Ric drilling rig.
- 9. MIRU CU. RIH w/bit and casing scraper. Circulate hole. POOH.
- 10. Run GR-CBL-CCL. Perforate Cass (Penn) formation. Perforations will be picked from open hole logs.
- 11. Acidize Penn perforations for breakdown and sand fracture stimulate Penn perforations.
- 12. Cleanout any fill and RIH with production tubing and packer.
- 13. RDMO CU.
- 14. Open well to sales.

. 4-29-1996 8:12AM FROM	MOC MID OPS/DRLO	G 6878337		P. 8
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P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

April 26, 1996

- · 4-29-1996 8:14AM

Hansen State No. 3 Exhibit "A"

Texaco E& P 500 N. Loraine Midland, Texas 79701

6878337

Mid-Continent Region Production United States



5:-06-1996 1:44PM

P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

PANAFAX TRANSMITTAL SHEET

SEND THE FOLLOWING PAGES TO:	
NAMEMILE STOENER	and the second s
COMPANY NAME NMOCD	
LOCATION	
PANAFAX NUMBER:	
FROM:	
NAME WALTER DUEEASE	EXT
TOTAL NUMBER OF PAGES: 3	(including cover sheet)
IF YOU DO NOT RECEIVE ALL THE PAGES. PLEASE	CALL BACK ASAP
PHONE	
COMMENTS APPROVED WAIVER FROM	TEXACO FOR OUR
RE-ENTRY & DEEPENING ON THE	E HANSEN ST. 43.
PLEASE REVIEW OUR REQUEST	AND NOTIFY ME
WITH YOUR APPROVAL ATYOUR &	EARLIEST CONVENIENCE
7.	HANKS -

SENT BY QDS

68783377# 27 3

; 5- 3-96 ;10:27AM ;

TEXACU E & P INC.→

Mid-Continent Region Production United States



P.O. Box 552 Midland, Texas 79702 Telephone 915/882-1626

April 26, 1996

Texaco E&P 500 N. Lorraine Midland, Texas 79701 Attn: Mr. Frank Gray

RE: Unorthodox Well Location Hansen State No. 3

660' FNL & 990' FEL Sec. 16, T-20-S, R-37-E Lea County, New Mexico

Dear Mr. Gray:

Marathon Oil Company proposes to reenter its Hansen State No. 3 and deepen the well from the San Andres to the Cass (Penn) pool. This well is a standard location to that all 7000s in the Cass (Penn) pool. However, the Cass (Penn) pool rules require a well to be located within 150 foot radius of the center of the quarter-quarter section. The estimated reserves for a Cass (Penn) well do not justify a stand alone well or the incremental expense to directionally drill to an orthodox Penn location.

Marathon Oil Company is the operator of the entire NE/4 of Section 16 with common ownership throughout the entire quarter section. The proposed deepening would only encroach on a quarter section which is operated by Marathon Oil Company.

As offset operator, you are hereby notified of Marathon's intent to deepen the above referenced well to an unorthodox location in the Cass (Penn) pool.

- SENT BY: QUS

5878337°# 37 3

Letter Page -2-

Should you have no objection to Marathon's intent, please signify by signing below and return one executed copy to me in the envelope provided. Please call me if you have questions regarding this matter at (800) 351-1417.

Respectfully