

PLC 7/19/00
Houston Division
Production Operations, United States 172



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

June 26, 2000

Mr. Mark Ashley
Oil Conservation Department
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501

29

RE: **Request for Exception to
Rule 303-A & Rule 309-A
Application for Pool & Lease Commingling**

**Ohio "D" Gov't Lease
Gas Gathering Facility
NW & SW, Section 8
T-31-N, R-12-W
Blanco Mesa Verde
Basin Fruitland Coal
San Juan County, NM**

**Ohio "E" Gov't Lease
Gas Gathering Facility
NE & SE, Section 18
T-31-N, R-12-W
Blanco Mesa Verde
Basin Fruitland Coal
San Juan County, NM**

**Ohio "F" Gov't Lease
Gas Gathering Facility
NW & NE, Section 20
T-31-N, R-12-W
Blanco Mesa Verde
Basin Fruitland Coal
San Juan County, NM**

Dear Mr. Ashley:

Marathon Oil Company respectfully requests administrative approval to permit the surface commingling of gas production in the above mentioned pools & leases.

Marathon Oil Company has a 100% Working Interest in the above mentioned Federal leases. Ownership of all zones is common and correlative rights will not be compromised. Marathon receives the same basic price for the product from these zones and value will not be adversely affected.

We propose to utilize the storage tanks on the individual well locations for oil sales and the gas gathering system for transporting gas to the sale meters. Production from the wells will be separated (liquid and gas) and the gas will be metered prior to commingling into the gas gathering line. The proposed production operation is in accordance with the applicable provisions.

Please find attached a lease plat, gathering system plat and production facility schematics. If additional information is necessary, please contact me at (505) 393-7106, ext 201.

Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

June 27, 2000

Mr. Richard Denbowski
BLM
Petroleum Management Team
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

RE: **Request for Exception to
Rule 303-A & Rule 309-A
Application for Pool & Lease Commingling**

**Ohio "D" Gov't Lease
Gas Gathering Facility
NW & SW, Section 8
T-31-N, R-12-W
Blanco Mesa Verde
Basin Fruitland Coal
San Juan County, NM**

**Ohio "E" Gov't Lease
Gas Gathering Facility
NE & SE, Section 18
T-31-N, R-12-W
Blanco Mesa Verde
Basin Fruitland Coal
San Juan County, NM**

**Ohio "F" Gov't Lease
Gas Gathering Facility
NW & NE, Section 20
T-31-N, R-12-W
Blanco Mesa Verde
Basin Fruitland Coal
San Juan County, NM**

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Please find attached a lease plat, gathering system plat and production facility schematics. If additional information is necessary, please contact me at (505) 393-7106, ext 201.

Sincerely,

A handwritten signature in black ink that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

Marathon Oil Company

Wells to be attached to the gas gathering system

Ohio "D", "E", "F" Gov't Leases

Section 8, 18, 20

T-31-N, R-12-W

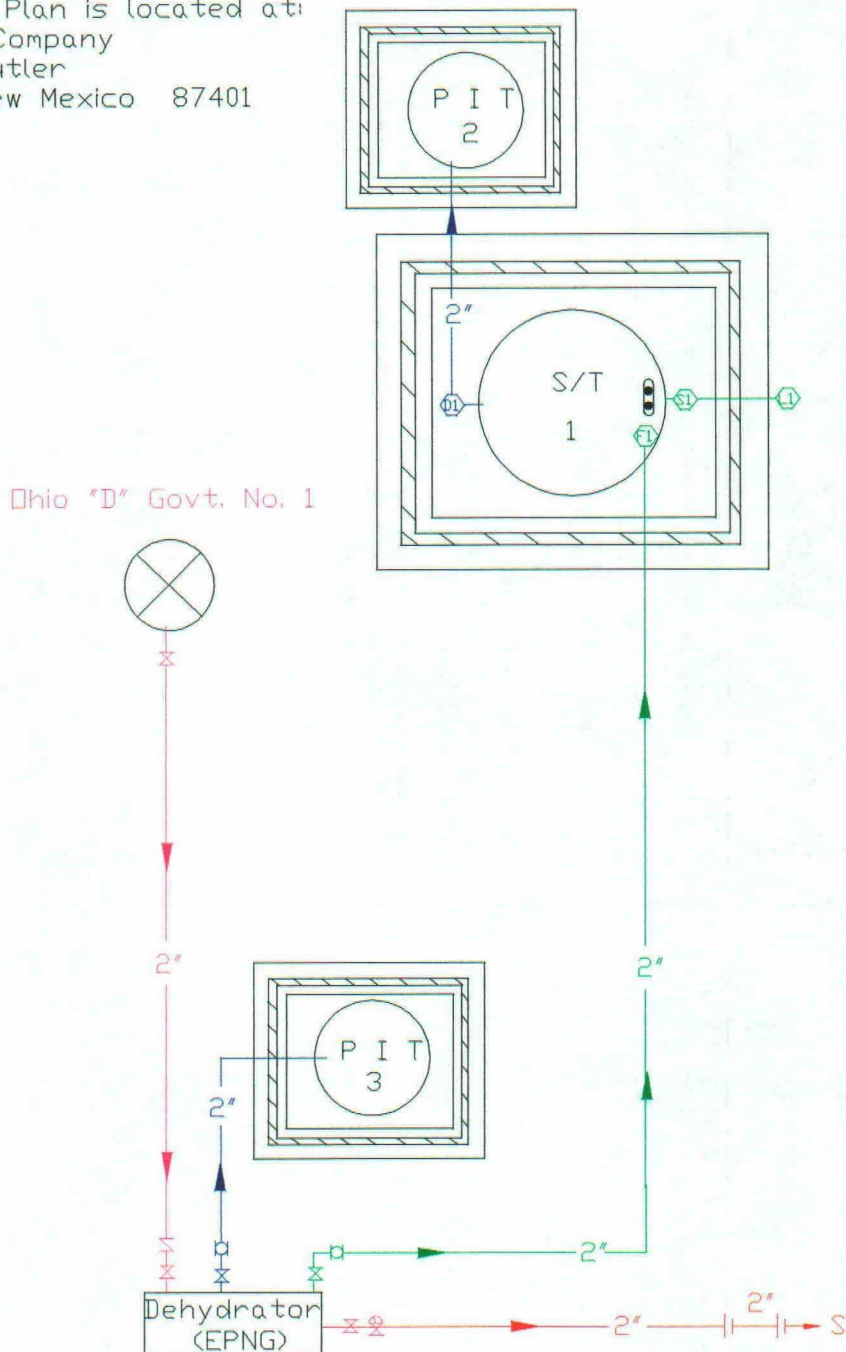
San Juan County, New Mexico

<u>Well Name & No.</u>	<u>Zone/Pool</u>	<u>Status</u>	<u>MCFPD</u>	<u>BTU</u>
Ohio "D" Gov't #1	Blanco Mesa Verde	Producing	116	1247
Ohio "D" Gov't #1A	Blanco Mesa Verde	Producing	83	1255
Ohio "D" Gov't #8 #2	Basin Fruitland Coal	Producing	119	1037
Ohio "D" Gov't #1B	Blanco Mesa Verde	Producing	861	1159
Ohio "D" Gov't #1C	Blanco Mesa Verde	Producing	657	1163
Ohio "E" Gov't #1	Blanco Mesa Verde	Producing	63	1234
Ohio "E" Gov't #1A	Blanco Mesa Verde	Producing	78	1230
Ohio "E" Gov't #18 #1	Basin Fruitland Coal	Producing	72	1025
Ohio "E" Gov't #1B	Blanco Mesa Verde	Producing	417	1255
Ohio "E" Gov't #1C	Blanco Mesa Verde	Producing	524	1213
Ohio "F" Gov't #1	Blanco Mesa Verde	Producing	65	1261
Ohio "F" Gov't #1A	Blanco Mesa Verde	Producing	62	1230
Ohio "F" Gov't #20 #1	Basin Fruitland Coal	Producing	52	1065
Ohio "F" Gov't #1B	Blanco Mesa Verde	Producing	1011	1249
Ohio "F" Gov't #1C	Blanco Mesa Verde	Producing	675	1233
Sub Total	Blanco Mesa Verde		4612	
	Basin Fruitland Coal		243	
Total			4855	

Production Facility Drawing
 Ohio "D" Govt. No. 1 Battery
 La Plata Field, NM
 SE/SW, Unit Letter N, Sec. 8, T-31N, R-12W
 Lease No. NM 021123
 June 26, 2000



Site Security Plan is located at:
 Marathon Oil Company
 3300 North Butler
 Farmington, New Mexico 87401



Ohio "D" Govt. No. 1

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

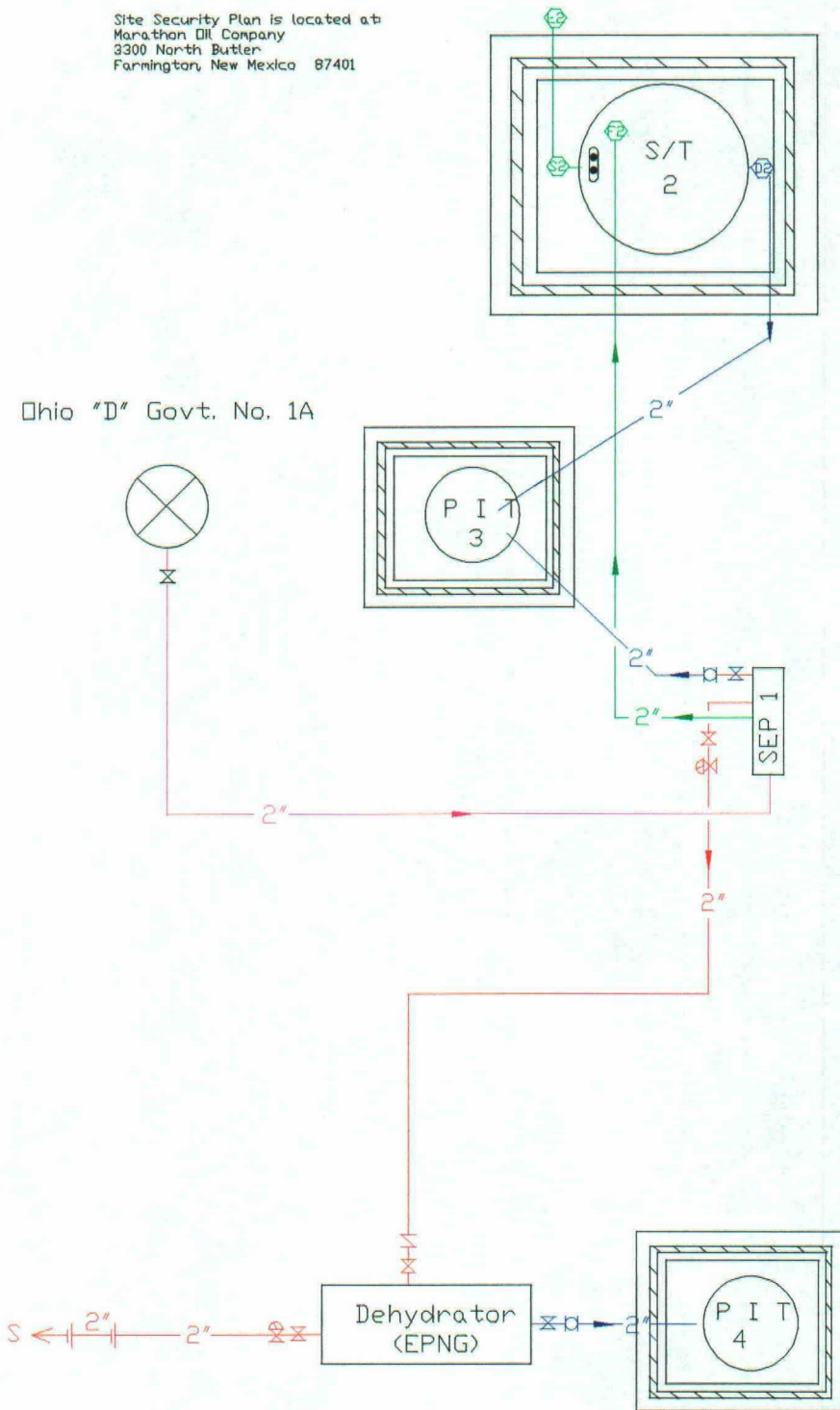
Draining Phase:
 Sales valve closed!
 Drain valve sealed open!
 Fill valve closed!
 Equalizer valve closed!

-	GAS
-	WATER
-	CONDENSATE
-	EMULSION
⊗	PLUG VALVE
⊗	CONTROL VALVE
⊗	DUMP VALVE
⊗	CHECK VALVE
•	SEALED
••	LOCKED
⊞	HATCH
⊞	ACTUATOR

Production Facility Drawing
 Ohio "D" Govt. No. 1A Battery
 La Plata Field, NM
 SE/NW, Unit Letter F, Sec. 8, T-31N, R-12W
 Lease No. NM 021123
 June 26, 2000



Site Security Plan is located at
 Marathon Oil Company
 3300 North Butler
 Farmington, New Mexico 87401



Ohio "D" Govt. No. 1A

Sales Phase:
 Sales valve open
 Drain valves sealed closed
 Fill valve sealed closed
 Equalizer valve sealed closed

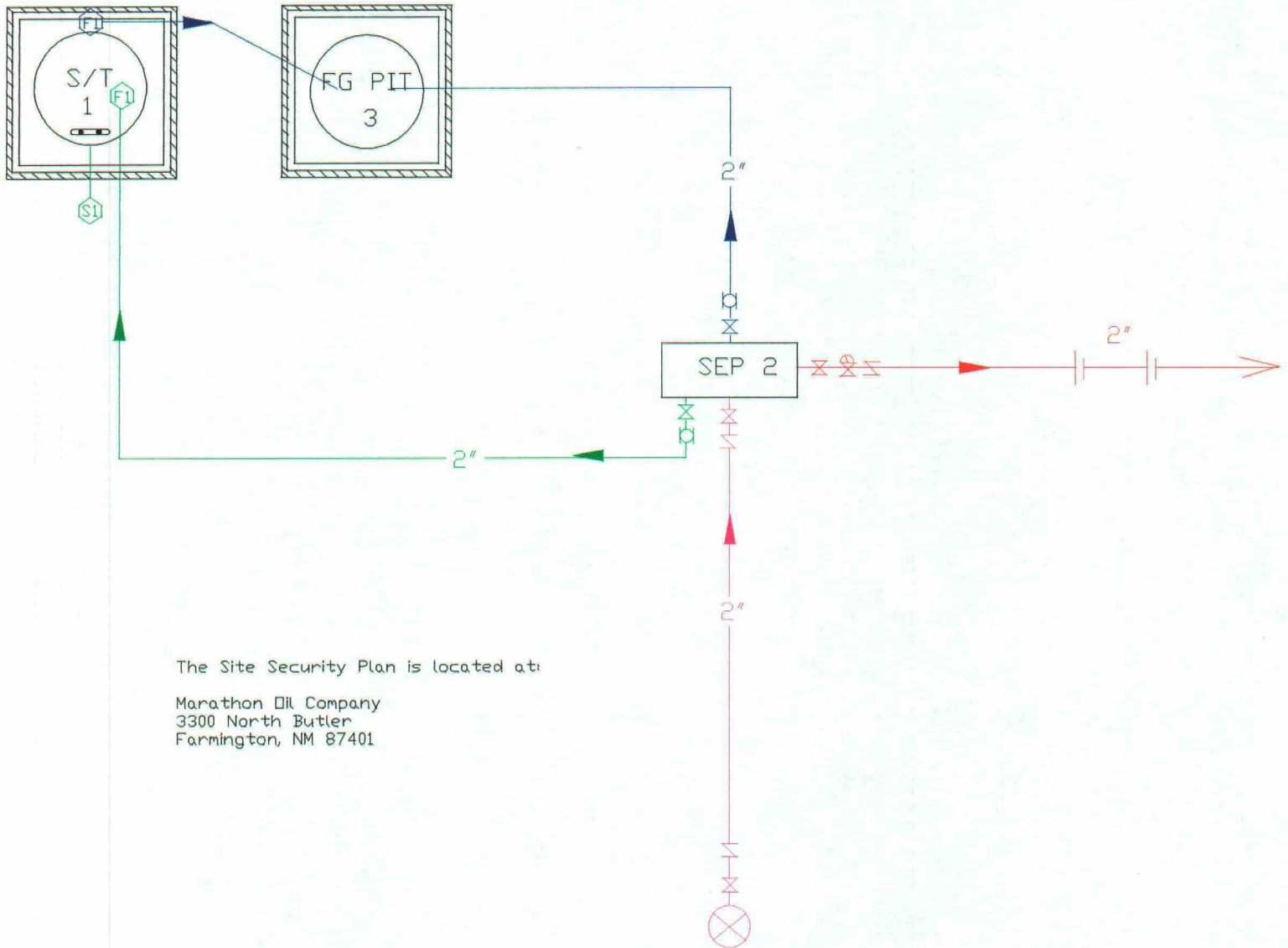
Production Phase:
 Sales valve closed
 Drain valve sealed closed
 Fill valve open
 Equalizer valve open

Draining Phase:
 Sales valve closed
 Drain valve sealed open
 Fill valve closed
 Equalizer valve closed

- GAS
- WATER
- CONDENSATE
- EMULSION
- ⊗ PLUG VALVE
- ⊗ CONTROL VALVE
- ⊠ DUMP VALVE
- ⊟ CHECK VALVE
- SEALED
- LOCKED
- ⊞ HATCH
- ⊞ ACTUATOR

Drawn By: James Faught
 File name: m:\site\autosketch\ohdgv1a.skd

Production Facility Drawing
 Ohio D Gov't 8 No. 2
 SW/SW Unit Letter M, Sec. 8, T-31N, R-12W
 LaPlata Field, NM
 Lease No. NM021123
 June 26, 2000



The Site Security Plan is located at:
 Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Ohio D Gov't 8-2

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

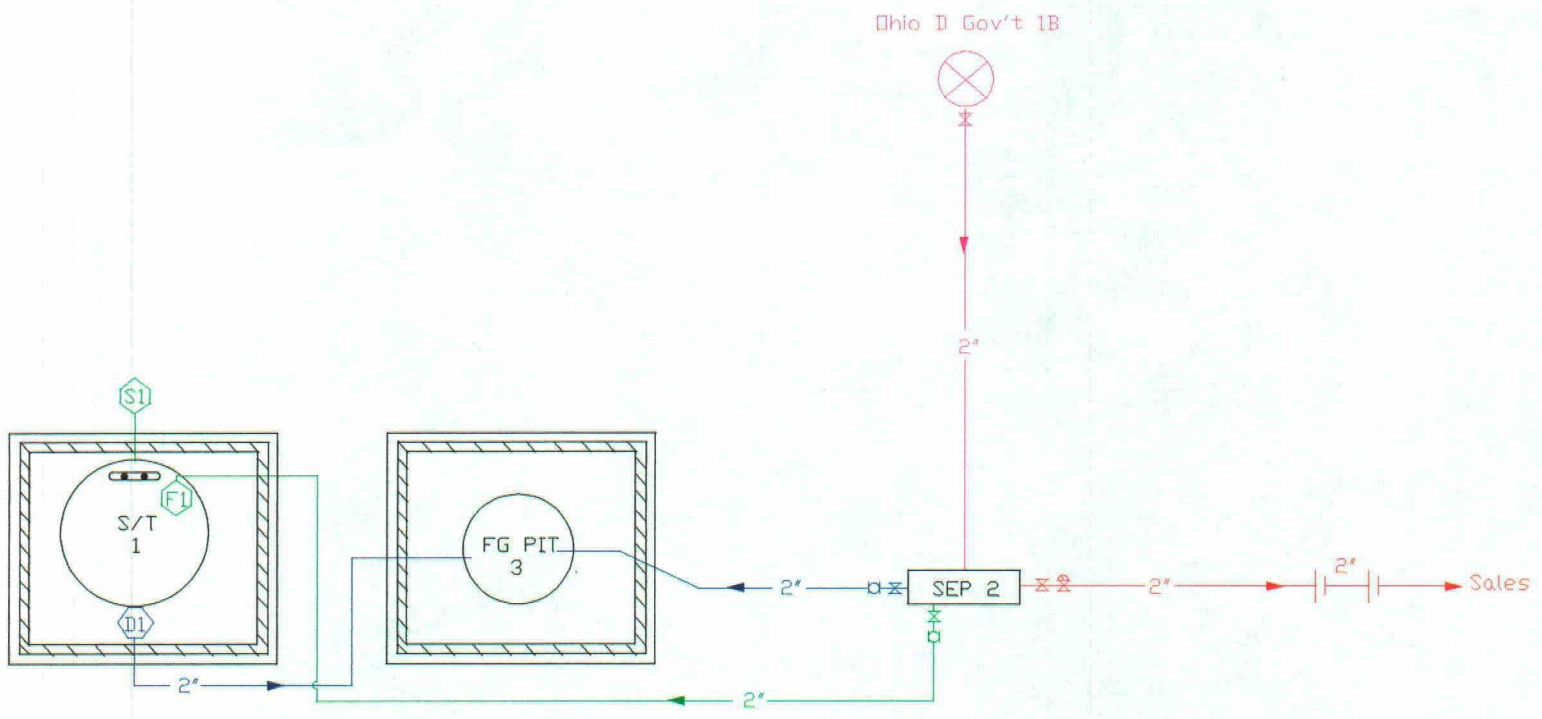
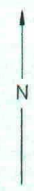
Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

- GAS
- WATER
- OIL
- EMULSION
⊗ PLUG VALVE
⊗ CONTROL VALVE
□ DUMP VALVE
∇ CHECK VALVE
• SEALED
• LOCKED
∩ HATCH
⊙ FLOW METER
⊙ BLM VALVE

Drawn By: J.C. FAUGHT

File Name: h:\site\autosket\ohdg82.skd

Production Facility Drawing
 Ohio D Gov't No. 1B
 NW/NW Unit Letter D, Sec. 8, T-31N, R-12W
 LaPlata Field, NM
 Lease No. NM021123
 June 26, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

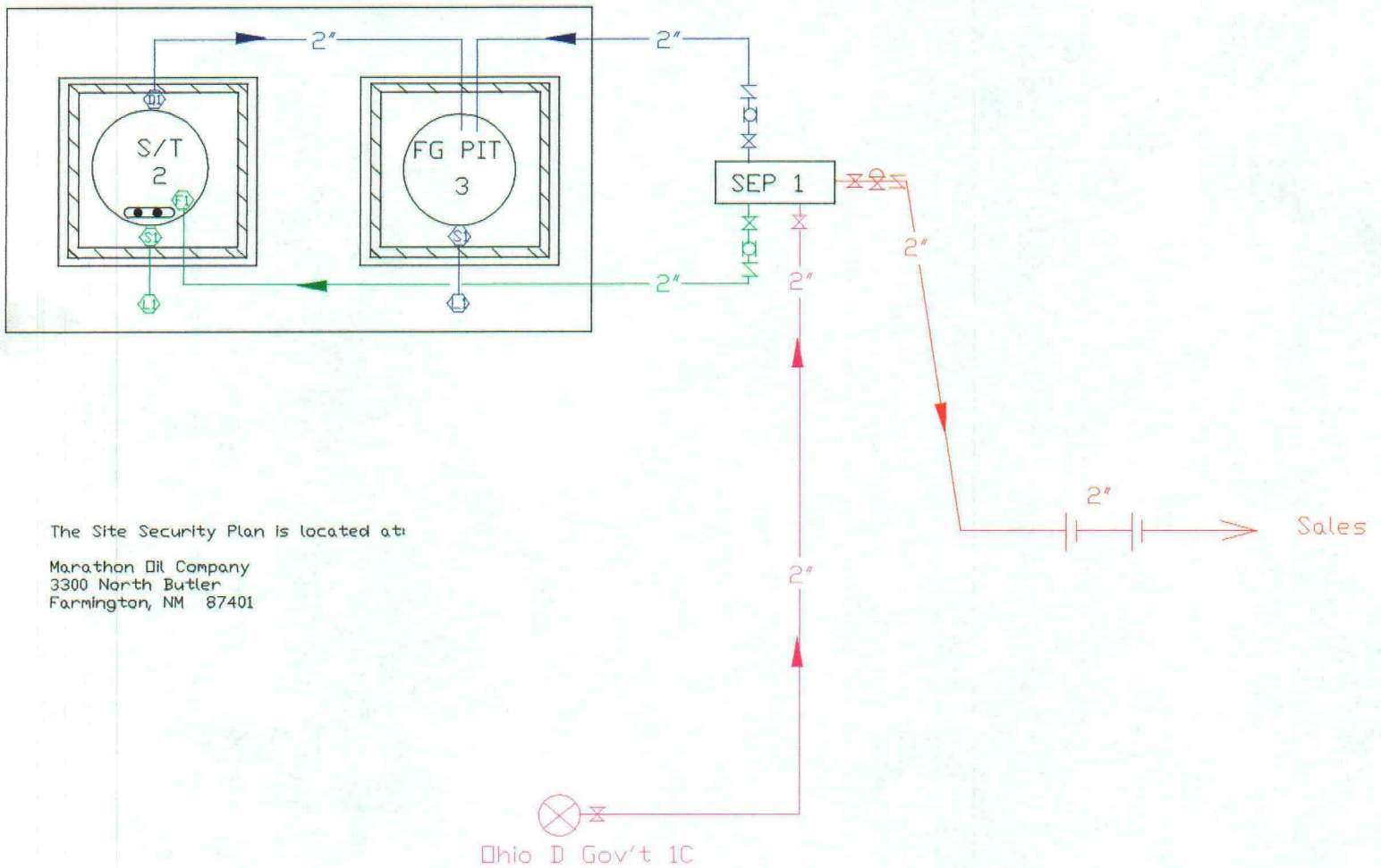
Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

- GAS
- WATER
- OIL
- EMULSION
⊗ PLUG VALVE
⊗ CONTROL VALVE
□ DUMP VALVE
∇ CHECK VALVE
• SEALED
•• LOCKED
∩ HATCH
⊙ FLOW METER
◇ BLM VALVE

Drawn By: J.C. FAUGHT
 File Name: h:\site\autosket\ohdglb.skd

Production Facility Drawing
 Ohio D Gov't No. 1C
 NW/SW Unit Letter L, Sec. 8, T-31N, R-12W
 LaPlata Field, NM
 Lease No. NM021123
 June 27, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

Drawn By: J.C. FAUGHT
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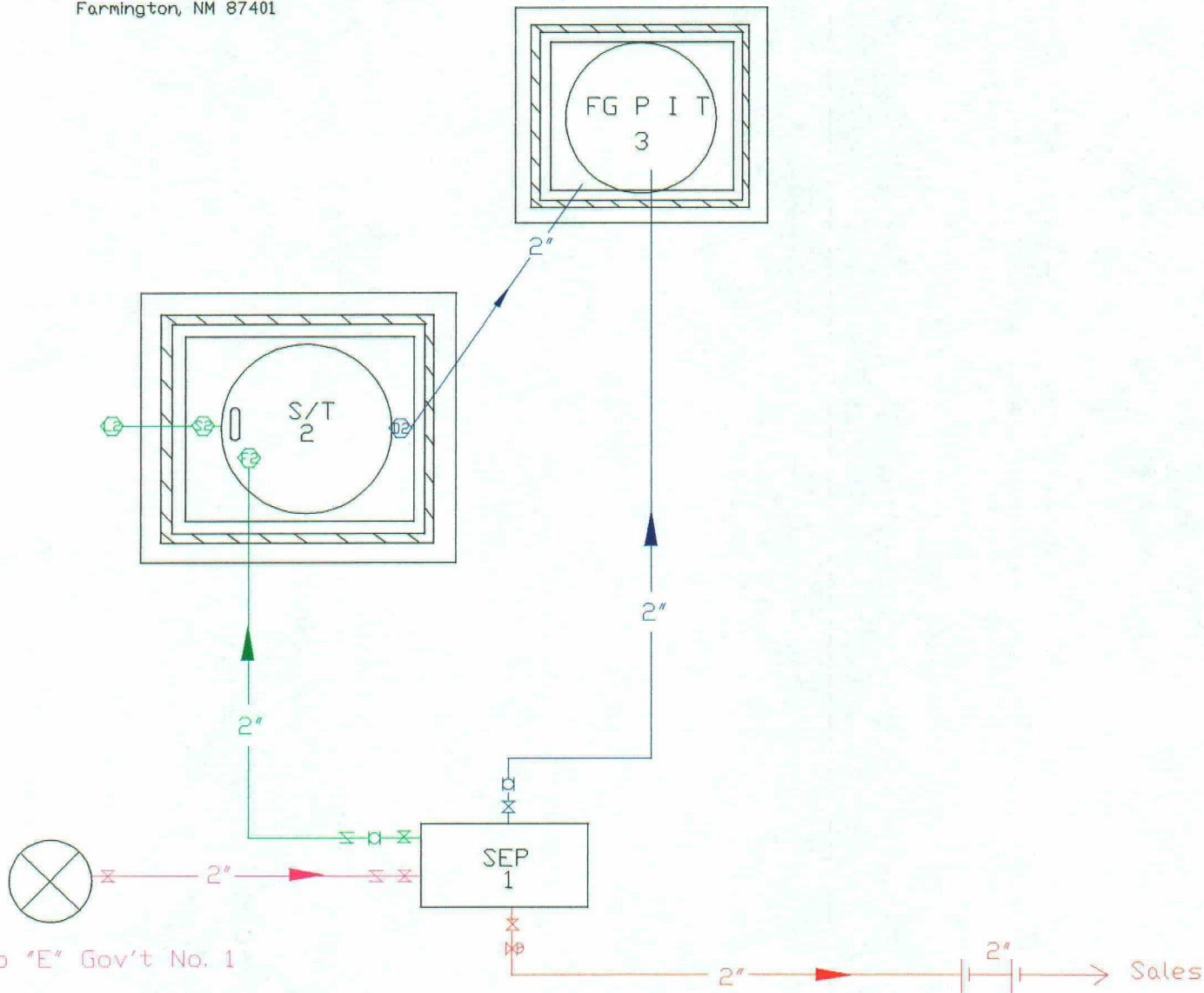
—	GAS
—	WATER
—	OIL
—	EMULSION
⊗	PLUG VALVE
⊗	CONTROL VALVE
⊗	DUMP VALVE
⊗	CHECK VALVE
•	SEALED
••	LOCKED
⊞	HATCH
⊙	FLDY METER
⊙	BLM VALVE

Production Facility Drawing
Ohio "E" Gov't. No. 1 Battery
La Plata Field, NM
NE/NE, Unit Letter A, Sec. 18, T-31N, R-12W
Lease No. NM 021125
June 26, 2000



The Site Security Plan is located at:

Marathon Oil Company
3300 North Butler
Farmington, NM 87401

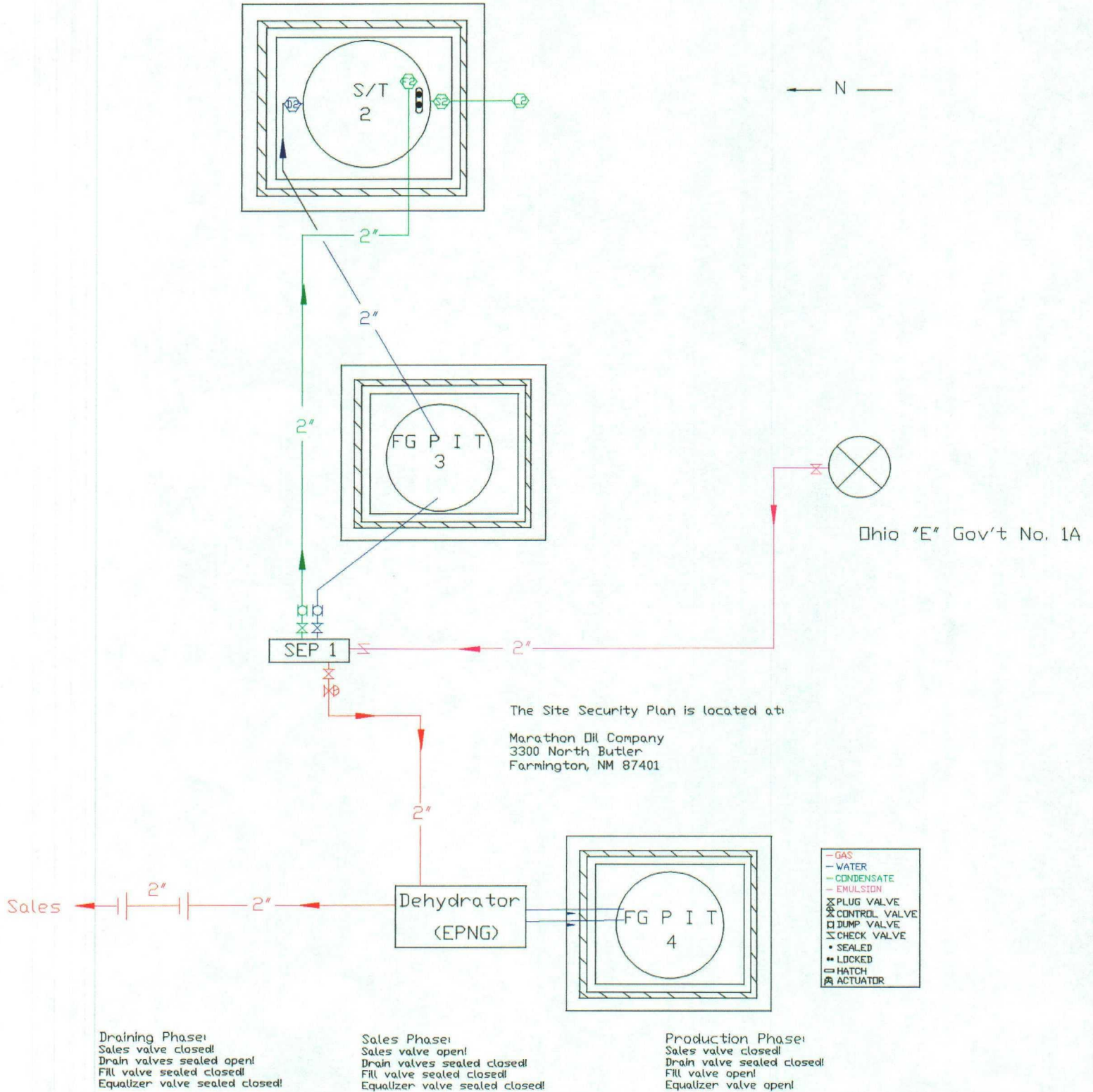


Draining Phase:
Sales valve closed!
Drain valves sealed open!
Fill valve sealed closed!
Equalizer valve sealed closed!

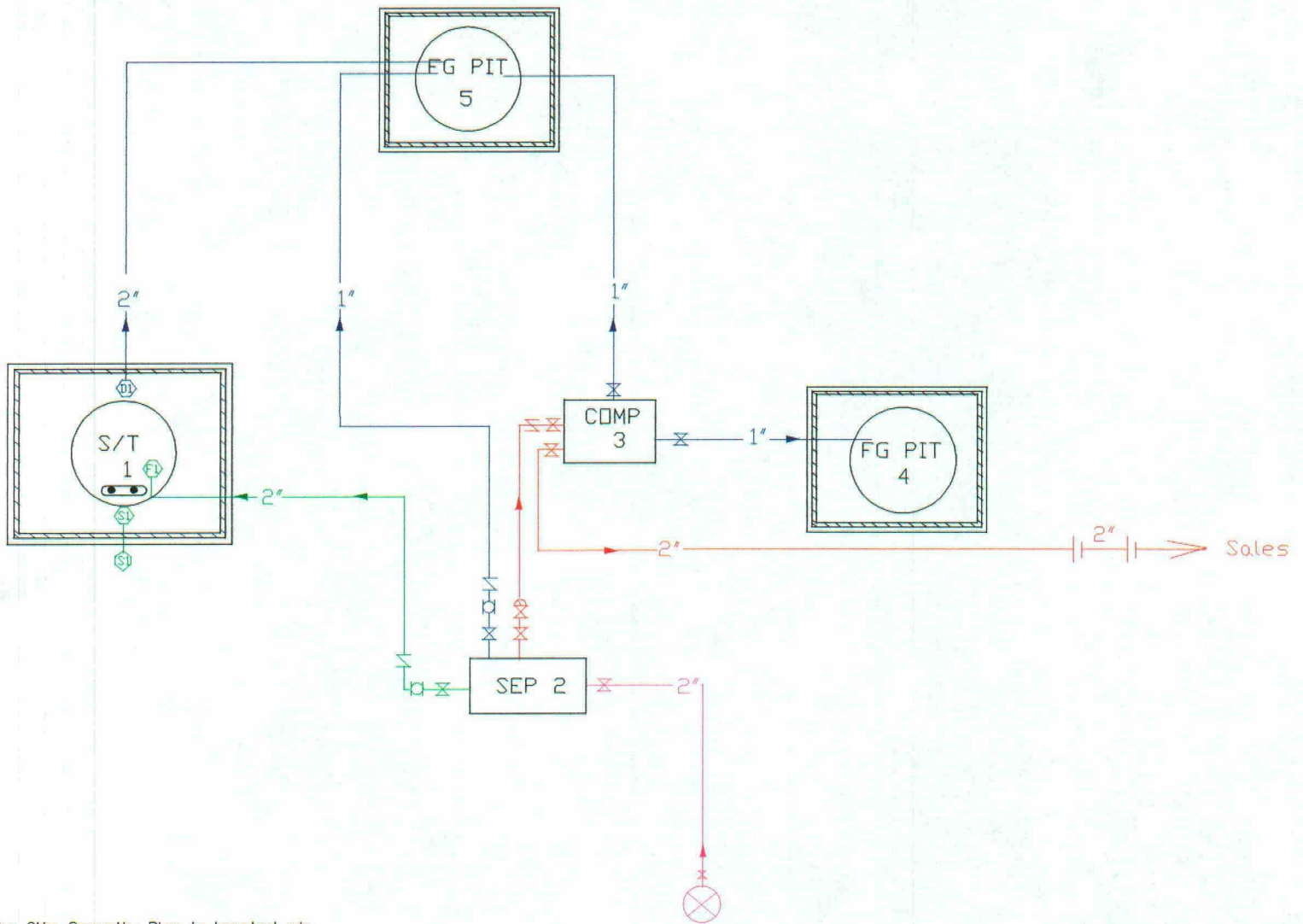
Sales Phase:
Sales valve open!
Drain valves sealed closed!
Fill valve sealed closed!
Equalizer valve sealed closed!

Production Phase:
Sales valve closed!
Drain valve sealed closed!
Fill valve open!
Equalizer valve open!

Production Facility Drawing
 Ohio "E" Gov't. No. 1A Battery
 La Plata Field, NM
 NE/SE, Unit Letter I, Sec. 18, T-31N, R-12W
 Lease No. NM 021125
 June 27, 2000



Production Facility Drawing
 Ohio E Gov't 18 No. 1
 NW/NE Unit Letter B, Sec. 18, T-31N, R-12W
 Kutz Canyon Field, NM
 Lease No. NM021125
 June 27, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Ohio E Gov't 18-1

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

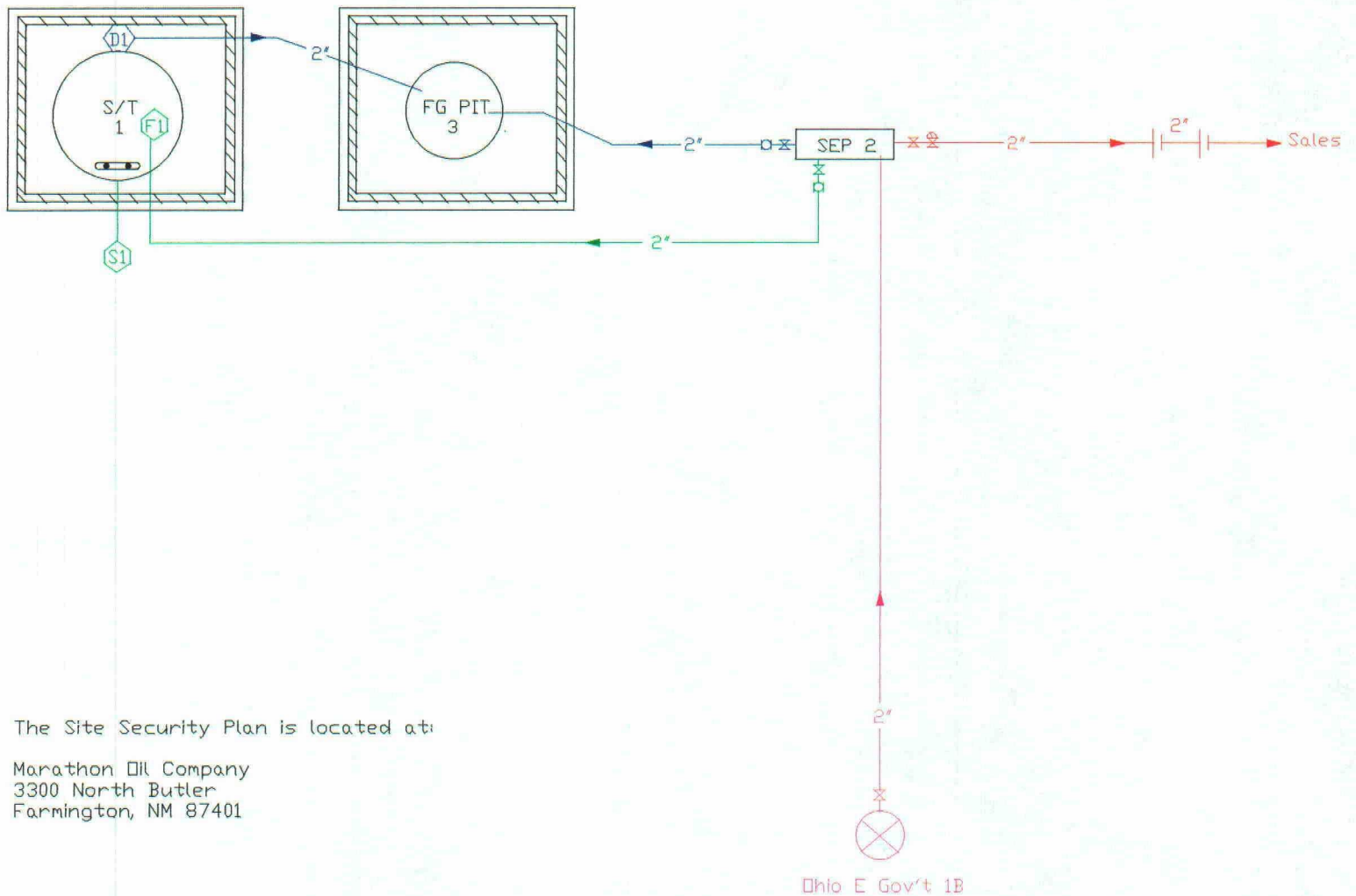
Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

—	GAS
—	WATER
—	OIL
—	EMULSION
⊗	PLUG VALVE
⊗	CONTROL VALVE
⊗	DUMP VALVE
⊗	CHECK VALVE
•	SEALED
•	LOCKED
□	HATCH
⊗	FLOW METER
⊗	BLM VALVE

Drawn By: J.C. FAUGHT

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Production Facility Drawing
 Ohio E Gov't No. 1B
 SW/NE Unit Letter G, Sec. 8, T-31N, R-12W
 LaPlata Field, NM
 Lease No. NM021125
 June 26, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

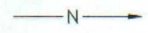
Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

Drawn By: J.C. FAUGHT

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- GAS
- WATER
- OIL
- EMULSION
⊗ PLUG VALVE
⊗ CONTROL VALVE
⊠ DUMP VALVE
∇ CHECK VALVE
• SEALED
•• LOCKED
∩ HATCH
⊕ FLOW METER
⊙ BLM VALVE

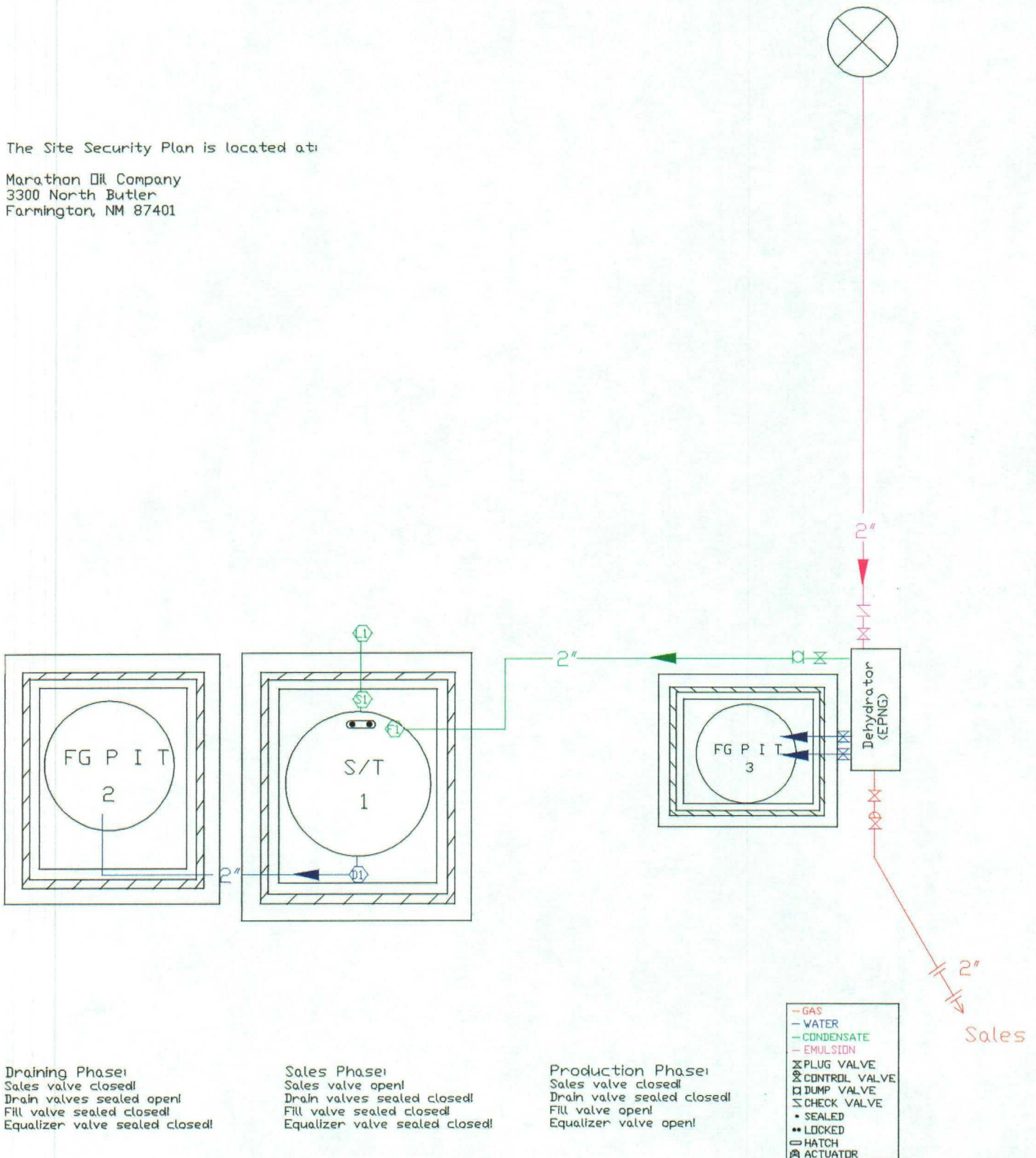
Production Facility Drawing
 Ohio "F" Gov't. No. 1 Battery
 La Plata Field, NM
 NE/NE, Unit Letter A, Sec. 20, T-31N, R-12W
 Lease No. NM 021126
 June 27, 2000



Ohio "F" Gov't No. 1

The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401



Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

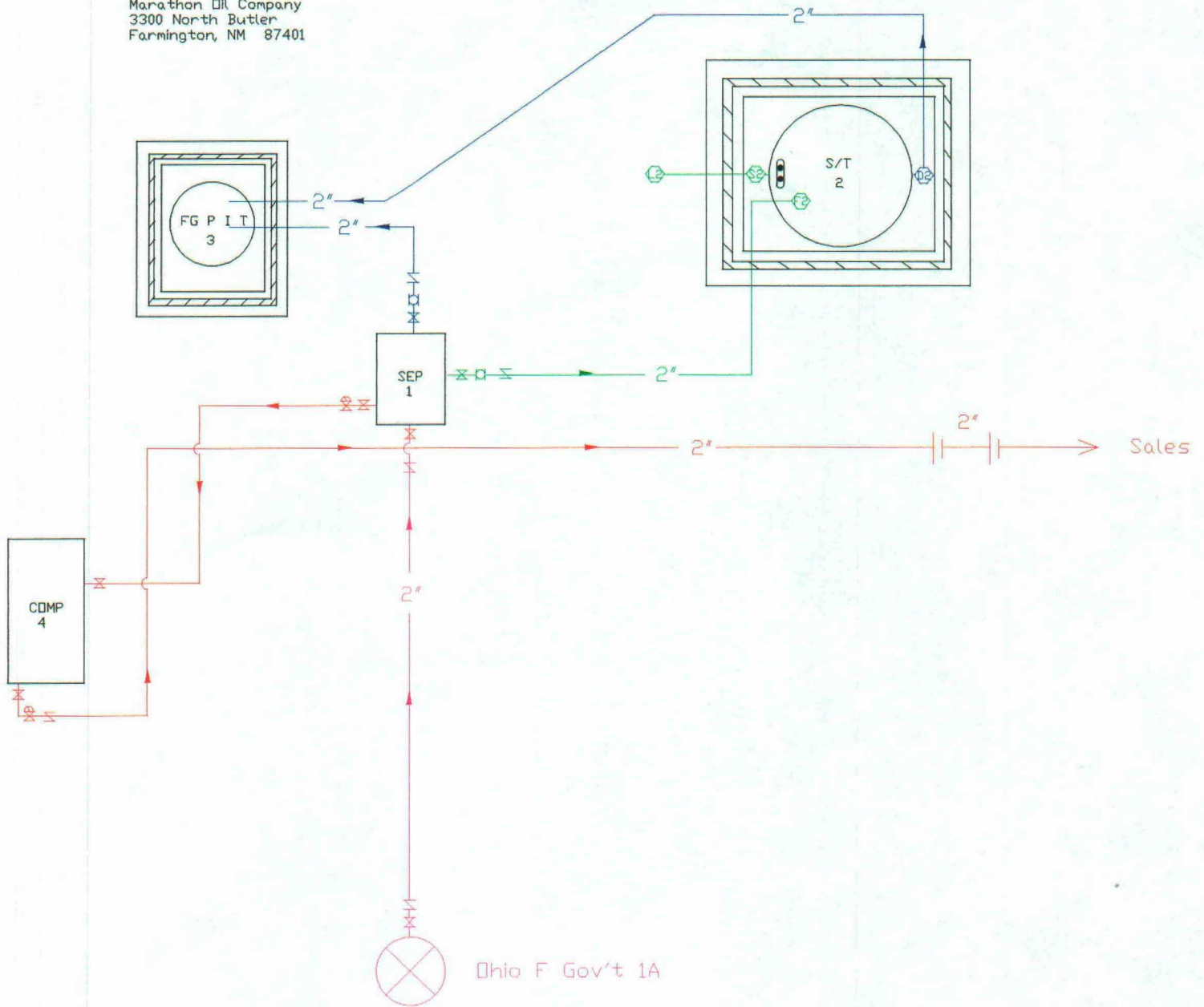
- GAS
- WATER
- CONDENSATE
- EMULSION
- ⊗ PLUG VALVE
- ⊗ CONTROL VALVE
- ⊗ DUMP VALVE
- ⊗ CHECK VALVE
- SEALED
- LOCKED
- ⊡ HATCH
- ⊡ ACTUATOR

Production Facility Drawing
 Ohio "F" Gov't. No. 1A Battery
 La Plata Field, NM
 NE/NW, Unit Letter C, Sec. 20, T-31N, R-12W
 Lease No. NM 021126 San Juan County, New Mexico
 June 26, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401



- GAS
- WATER
- CONDENSATE
- EMULSION
- ⊗ PLUG VALVE
- ⊗ CONTROL VALVE
- DUMP VALVE
- ∩ CHECK VALVE
- SEALED
- LOCKED
- HATCH
- ⊗ ACTUATOR

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

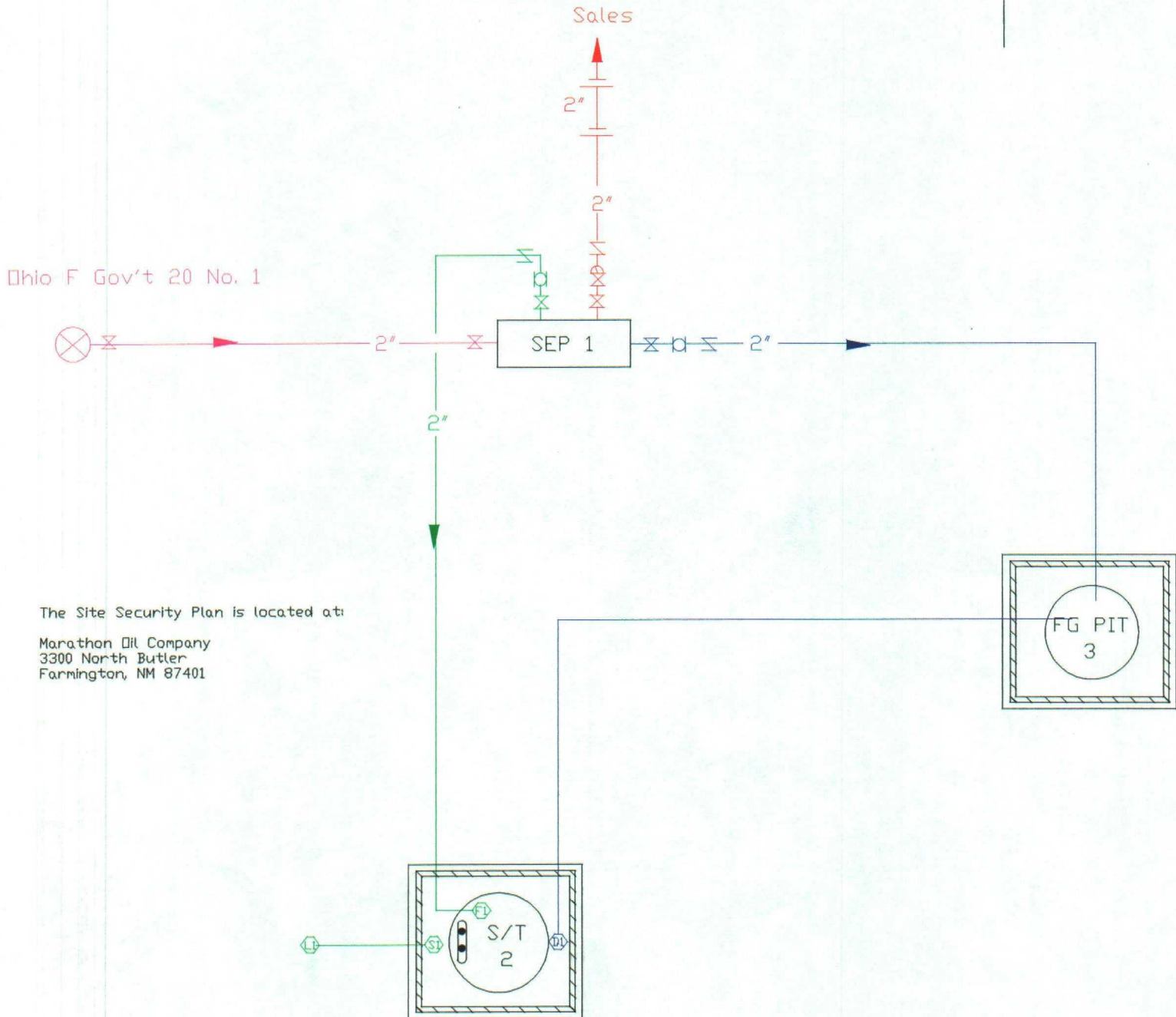
Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

Drawn By: James Faught

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Production Facility Drawing
 Ohio F Gov't 20 No. 1
 SW/NE Unit Letter G, Sec. 20, T-31N, R-12W
 LaPlata Field, NM
 Lease No. NM021126
 June 27, 2000



Ohio F Gov't 20 No. 1

The Site Security Plan is located at:
 Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

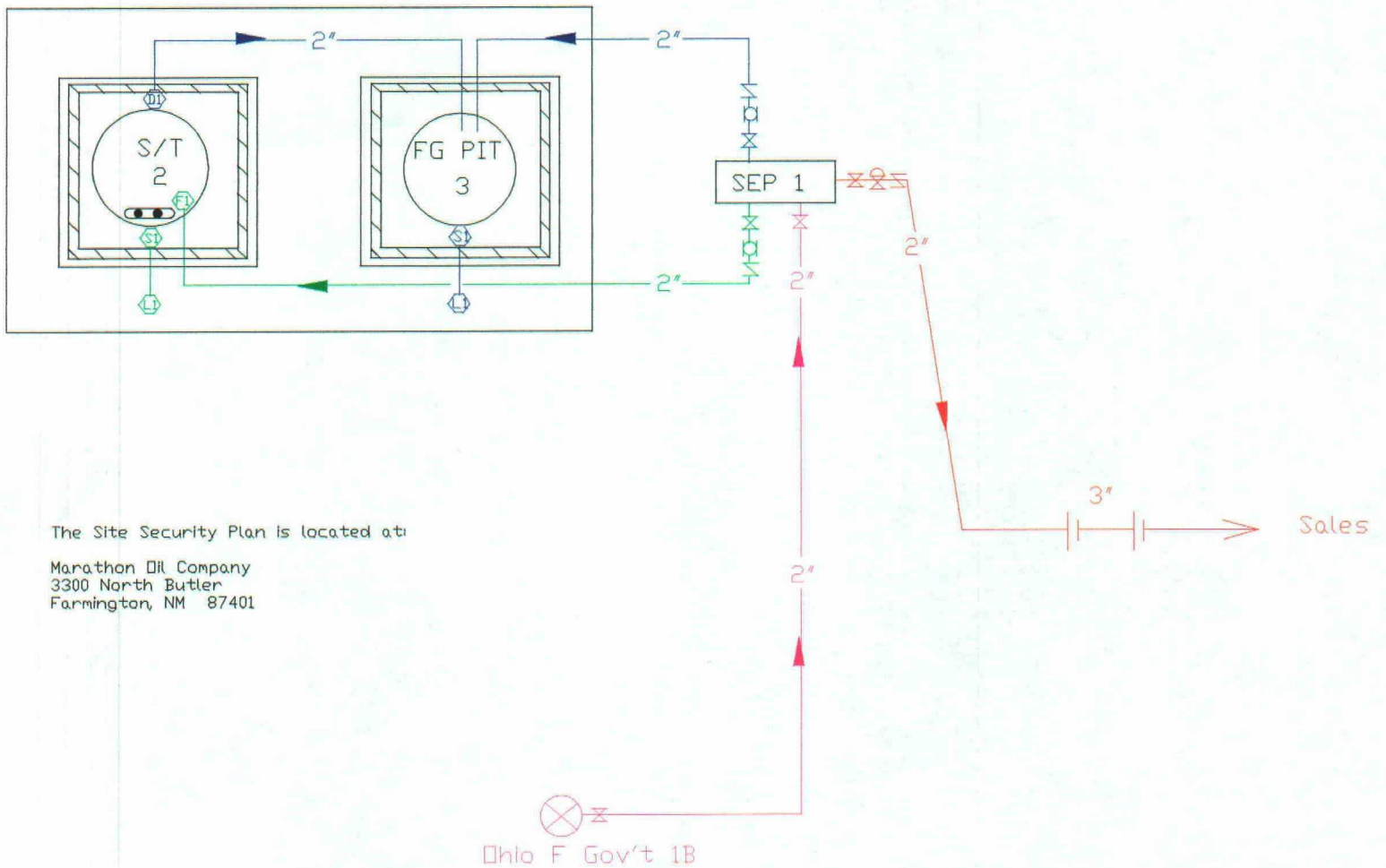
Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

Drawn By: J.C. FAUGHT
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—	GAS
—	WATER
—	OIL
—	EMULSION
⊗	PLUG VALVE
⊗	CONTROL VALVE
□	DUMP VALVE
Σ	CHECK VALVE
•	SEALED
••	LOCKED
□	HATCH
⊗	FLOW METER
⊙	BLM VALVE

Production Facility Drawing
 Ohio F Gov't No. 1B
 SW/NW Unit Letter L, Sec. 8, T-31N, R-12W
 LaPlata Field, NM
 Lease No. NM021126
 June 27, 2000



The Site Security Plan is located at:

Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

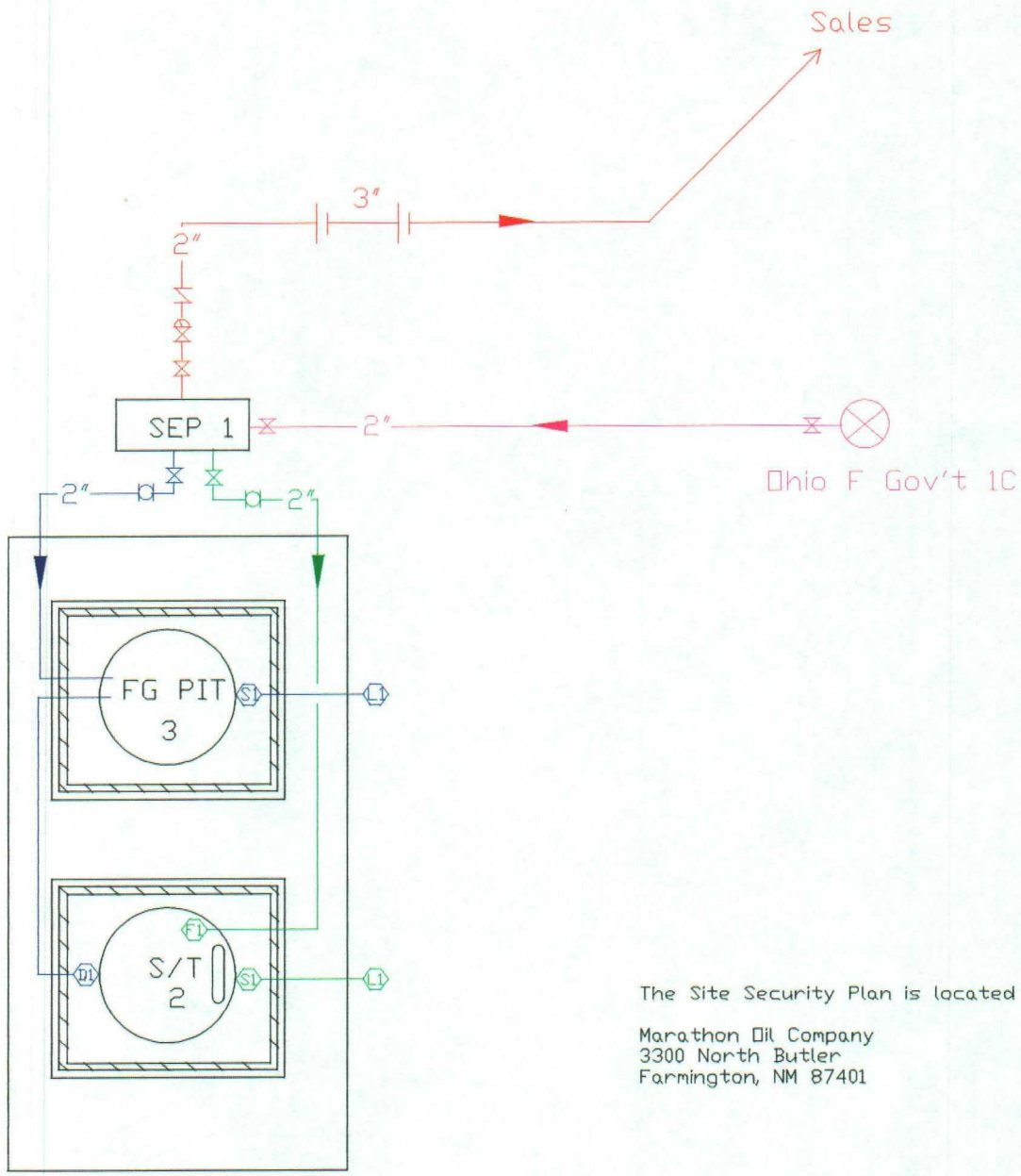
Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

Drawn By: J.C. FAUGHT
 File Name: h:\site\autosket\Ohfg1b.skd

—	GAS
—	WATER
—	OIL
—	EMULSION
⊗	PLUG VALVE
⊗	CONTROL VALVE
⊠	DUMP VALVE
⊞	CHECK VALVE
•	SEALED
••	LOCKED
⊠	HATCH
⊗	FLDW METER
⊗	BLM VALVE

Production Facility Drawing
 Ohio F Gov't No. 1C
 SW/NE Unit Letter G, Sec. 20, T-31N, R-12W
 LaPlata Field, NM
 Lease No. 021126
 June 27, 2000



The Site Security Plan is located at:
 Marathon Oil Company
 3300 North Butler
 Farmington, NM 87401

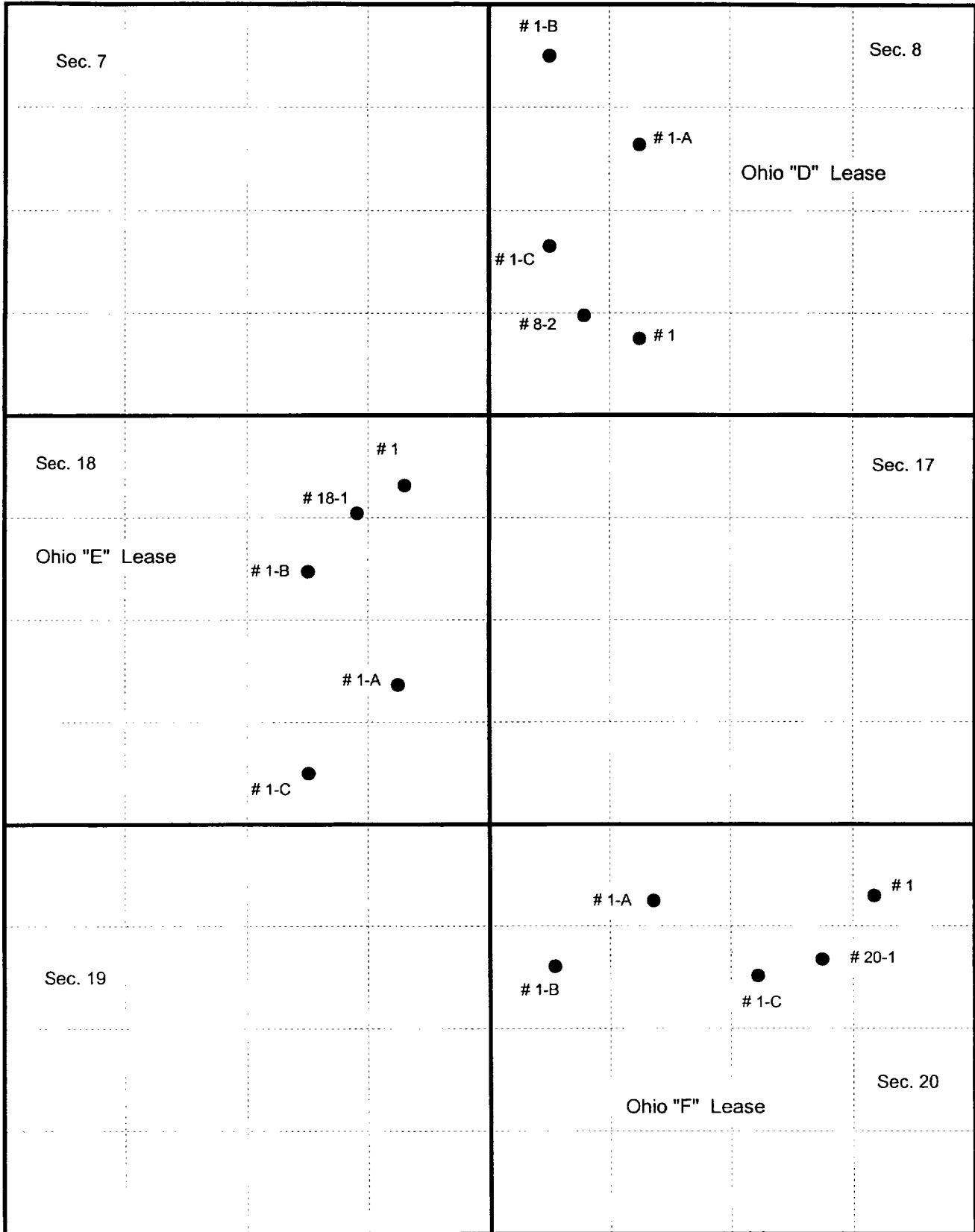
Draining Phase:
 Sales valve closed!
 Drain valves sealed open!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Sales Phase:
 Sales valve open!
 Drain valves sealed closed!
 Fill valve sealed closed!
 Equalizer valve sealed closed!

Production Phase:
 Sales valve closed!
 Drain valve sealed closed!
 Fill valve open!
 Equalizer valve open!

-	GAS
-	WATER
-	OIL
-	EMULSION
⊗	PLUG VALVE
⊗	CONTROL VALVE
⊠	DUMP VALVE
⊞	CHECK VALVE
•	SEALED
••	LOCKED
⊠	HATCH
⊞	FLDY METER
⊞	BLM VALVE

**Marathon Oil Company
La Plata Wells on
Gas Gathering System**



Marathon Oil Company
La Plata - Gas Gathering System

