

Mid-Continent Region  
Production United States



**Marathon  
Oil Company**

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

January 27, 1992

State of New Mexico  
Oil Conservation Division  
P.O. Box 2083  
Santa Fe, New Mexico 87504-2088

OCO

505-827-5802

Attention: Mr. William J. Lemay, Director

RE: Application for Lease Production Commingling  
Johnson "A" Federal Lease (East Half of Section)  
Section 10, T-18-S, R-31-E  
Eddy County, New Mexico

Johnson "B" Federal A/C 1 Lease (West Half of Section)  
Section 11, T-18-S, R-31-E  
Eddy County, New Mexico

Dear Mr. Lemay,

Marathon Oil Company respectfully requests that the State of New Mexico Oil Conservation Division grant administrative approval for surface production commingling in the above referenced leases. Approval of this request would allow Marathon Oil Company to produce Well No. 4 in the Johnson "A" Federal Lease to a Common Stock Tank Battery located at Well No. 2 in the Johnson "B" Federal A/C 1 Lease.

The production for both wells would be from the Grayburg Sand Pool in which Marathon has a 100% interest to depth of 5,500'. Well No. 11 in the Johnson "B" Federal A/C 1 lease is also a Grayburg well which is currently awaiting hook-up to the same production facilities. Attached, please find a lease commingling plat, production facility schematic, names and addresses of interest owners for both the above referenced leases. Should you require additional information concerning this request, please feel free to contact me at (505) 393-7106. Your cooperation in this matter is greatly appreciated.

Sincerely,

S. P. Guidry  
Operations Superintendent

Enclosure

SPG/MMA/021.274/sk

A subsidiary of USX Corporation

An Equal Opportunity Employer

## JOHNSON "B" FEDERAL LEASE - (320 ACRES)

INTEREST OWNERS  
NAMES AND ADDRESSES  
FEDERAL LEASE NO. LC-029388-DINTEREST OWNERS

Marathon Oil Company	Net Working Interest:	100.00%
P. O. Box 552	Net Revenue Interest:	87.5%
Midland, Texas 79702		

U. S. Department of the Interior		
Bureau of Land Management	Net Working Interest:	0%
Carlsbad Resource Area	Net Revenue Interest:	12.5%
P. O. Box 1778		
Carlsbad, New Mexico 88240		

MMA/023.274/sk

MARATHON OIL COMPANY  
WELLS IN LEASE COMMINGLING

Johnson "A" Federal Well No. 4  
1,980' FSL and 660' FEL  
Section 10, T-18-S, R-31-E  
Eddy County, New Mexico

Grayburg Sand Producer  
Perf'd: 3,900'-4,050'

Johnson "B" Federal A/C 1 Well No. 2  
1,980' FNL and 660' FWL  
Section 11, T-18-S, R-31-E  
Eddy County, New Mexico

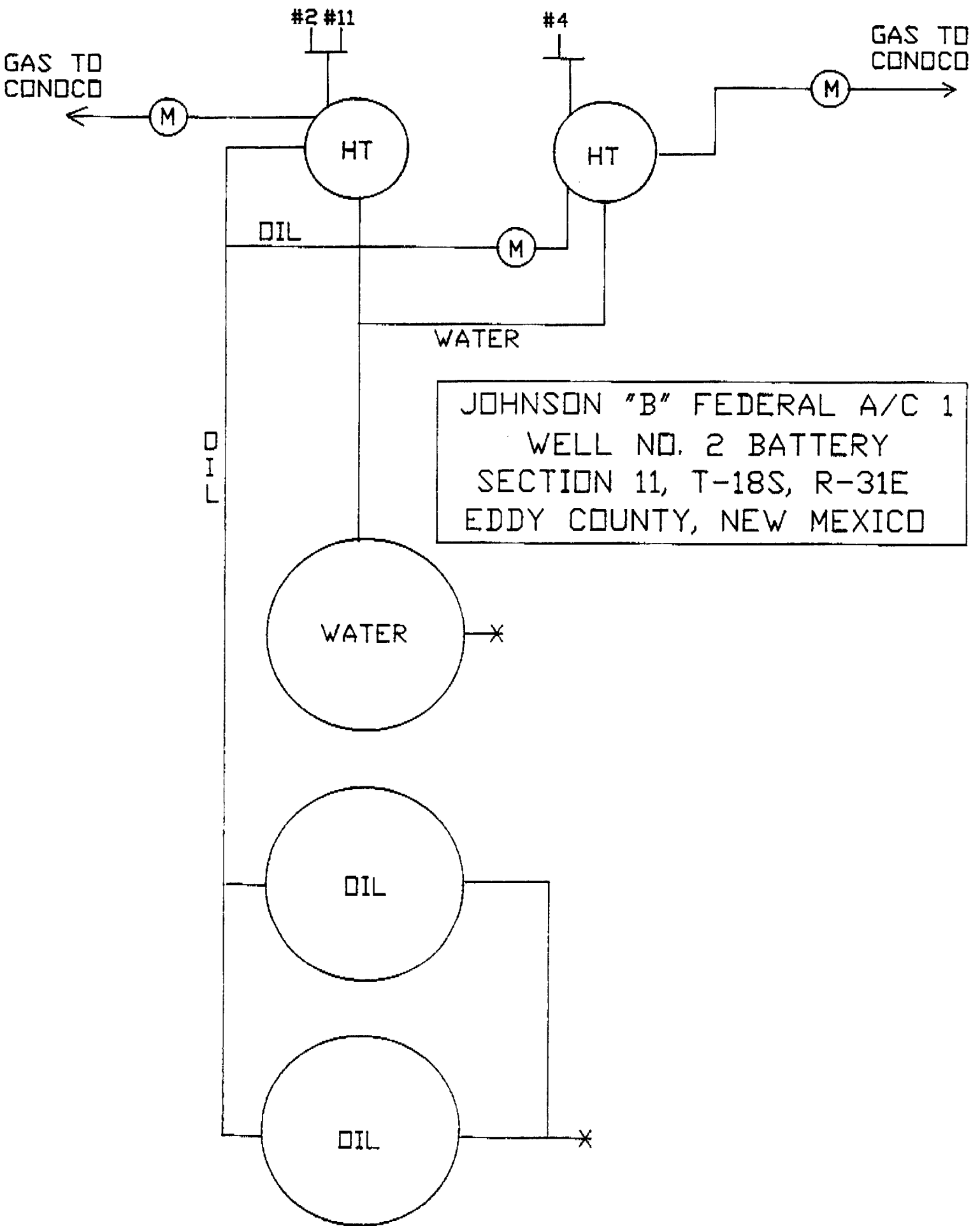
Grayburg Sand Producer  
Perf'd: 4,021'-4,186'

Johnson "B" Federal A/C 1 Well No. 11  
2,060' FWL and 2,310' FNL  
Section 11, T-18-S, R-31-E  
Eddy County, New Mexico

Grayburg Sand Producer  
(Well Not Tied Into Production)  
Perf'd: 4,040'-4,132'

NOTE: Perforations are at various depths between the indicated upper and lower perforation intervals.

MMA/024.274/sk

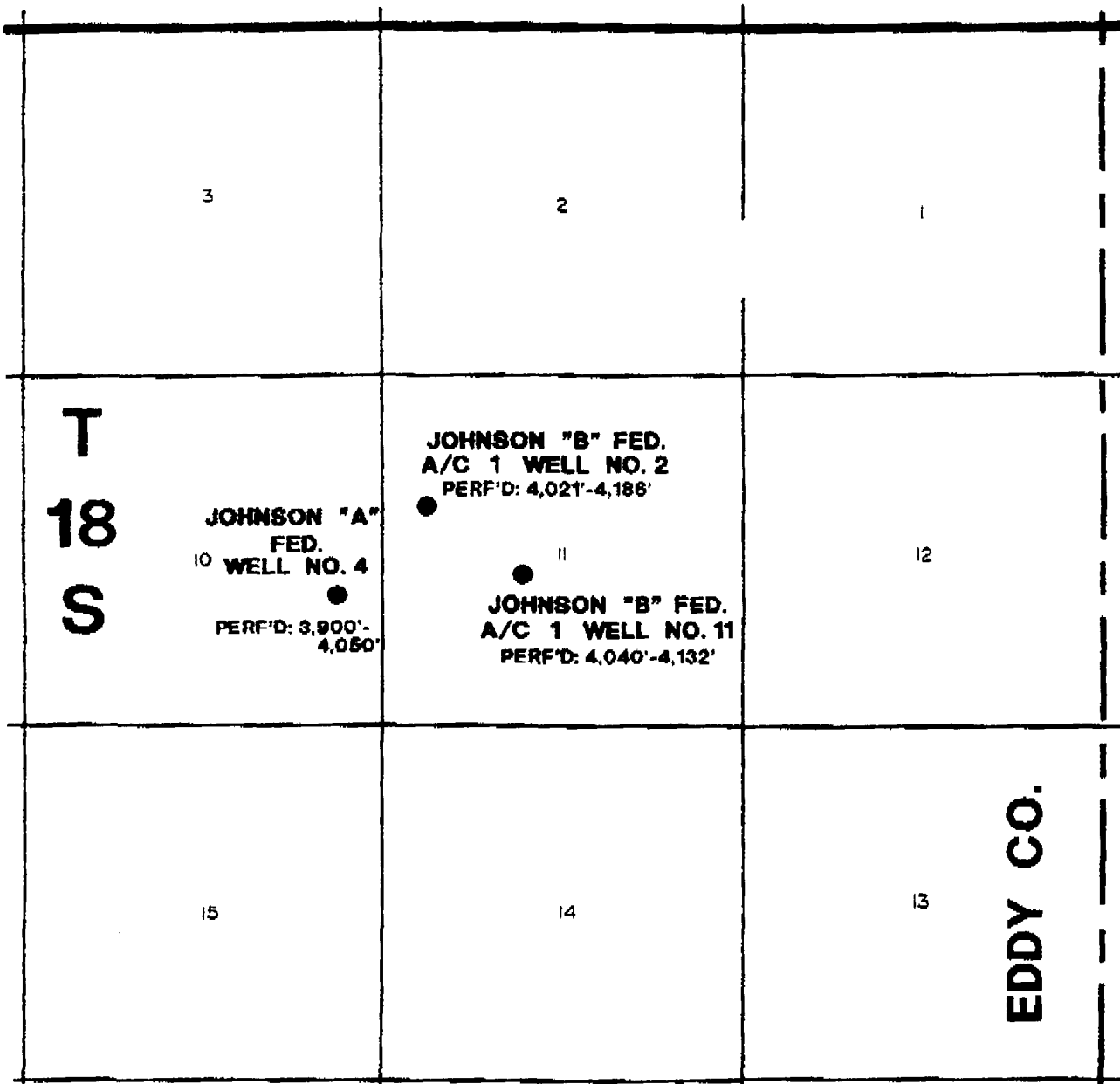


## JOHNSON "A" FEDERAL LEASE - (320 ACRES)

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FEDERAL LEASE NO. LC-029388-CINTEREST OWNERS

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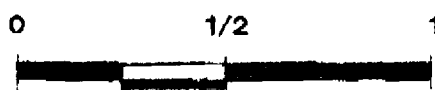
**R 31 E**

NOTE: PERFORATIONS ARE AT  
VARIOUS DEPTHS BETWEEN THE  
INDICATED UPPER AND LOWER  
PERFORATION INTERVALS

**MARATHON OIL COMPANY  
MID-CONTINENT REGION**

**SHUGART  
EDDY COUNTY, NEW MEXICO**

**WELLS IN LEASE COMMINGLING  
(GRAYBURG SAND PRODUCERS)**



MILE

To Shannon Shaw / David Catavach

Data on third Lease

Johnson "B" Federal A/C 2  
Section 15, T-18-S, R-31-E  
Eddy County, New Mexico  
LC-

Working Interest - 100.00%  
Net Revenue Interest - 87.50%  
Federal NRI - 12.50%

Active Well

Johnson "B" Federal A/C 2 No. 2  
660' FNL & 1980' FNL  
Section 15, T-18-S, R-31-E  
Eddy County, New Mexico

Reservoir - Grayburg Sand  
Zones - 3972-81'  
4015-20'  
4023-28'  
4034-41'  
4046-67'  
4089-90'

