



MARATHON OIL COMPANY

FORMERLY THE OHIO OIL COMPANY

November 1, 1962

(2) P. O. Box 2107
Hobbs, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Dear Sir:

Marathon Oil Company hereby respectfully requests an exception to Rule 303 (a) to permit the commingling in common facilities of the production from the Monument Tubb and Weir Blinebry zones of its State Hansen, Well No. 5, located in Unit H, Section 16, Township 20 South, Range 37 East, Lea County, New Mexico.

Attached hereto is a data sheet relating to the gravities, volumes and values of the liquid hydrocarbons, along with a plat of the State Hansen lease and a schematic diagram of the proposed installation. Marathon Oil Company owns 100 percent working interest in the subject lease.

The Commissioner of Public Lands for the State of New Mexico has been furnished a copy of this application, and it is requested that he forward his approval of the proposed commingling installation to the Oil Conservation Commission.

Yours very truly,

MARATHON OIL COMPANY

T. O. Webb
Area Petroleum Engineer

TOW:bje

cc: State Land Commissioner
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Handwritten notes:
Held 300
Rec'd see attachment

Handwritten note:
VC-109

MARATHON OIL COMPANY
STATE HANSEN LEASE
Section 16-T.20S-R.37E

Commingling Data: Weir Blinebry - Monument Tubb Zones, State Hansen,
Well No. 5

ALLOWABLES

Weir Blinebry Top Allowable	- - - - -	47 BOPD
Monument Tubb Top Allowable	- - - - -	62 BOPD
Combined Top Allowable	- - - - -	<u>109 BOPD</u>

GRAVITIES

Weir Blinebry API Gravity	- - - - -	38° @ 60° F
Monument Tubb API Gravity	- - - - -	40° @ 60° F
Commingled Gravity	- - - - -	39.1° @ 60° F

CRUDE OIL PRICES (West Texas Sour)

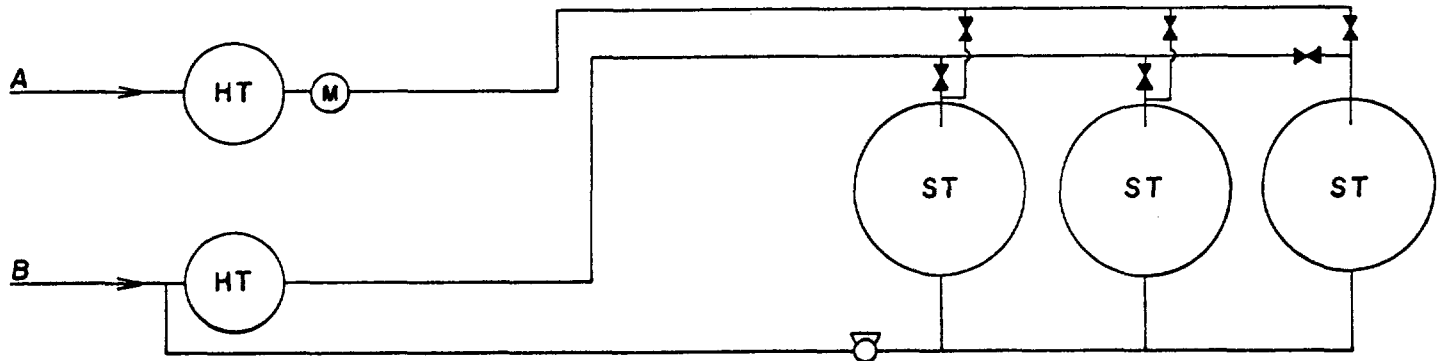
Weir Blinebry (38° API)	- - - - -	\$2.89/Bbl.
Monument Tubb (40° API)	- - - - -	\$2.95/Bbl.
Commingled (39.1° API)	- - - - -	\$2.92/Bbl.

VALUES



Weir Blinebry (47 Bbls/Day X \$2.89/Bbl.)	- - - - -	\$135.83/Day
Monument Tubb (62 Bbls/Day X \$2.95/Bbl.)	- - - - -	<u>\$182.90/Day</u>
Total Value Sold Separately	- - - - -	\$318.73/Day
Commingled Value (109 Bbls/Day X \$2.92/Bbl.)	- - - - -	\$318.28/Day
Loss of Value	- - - - -	\$ 0.45/Day

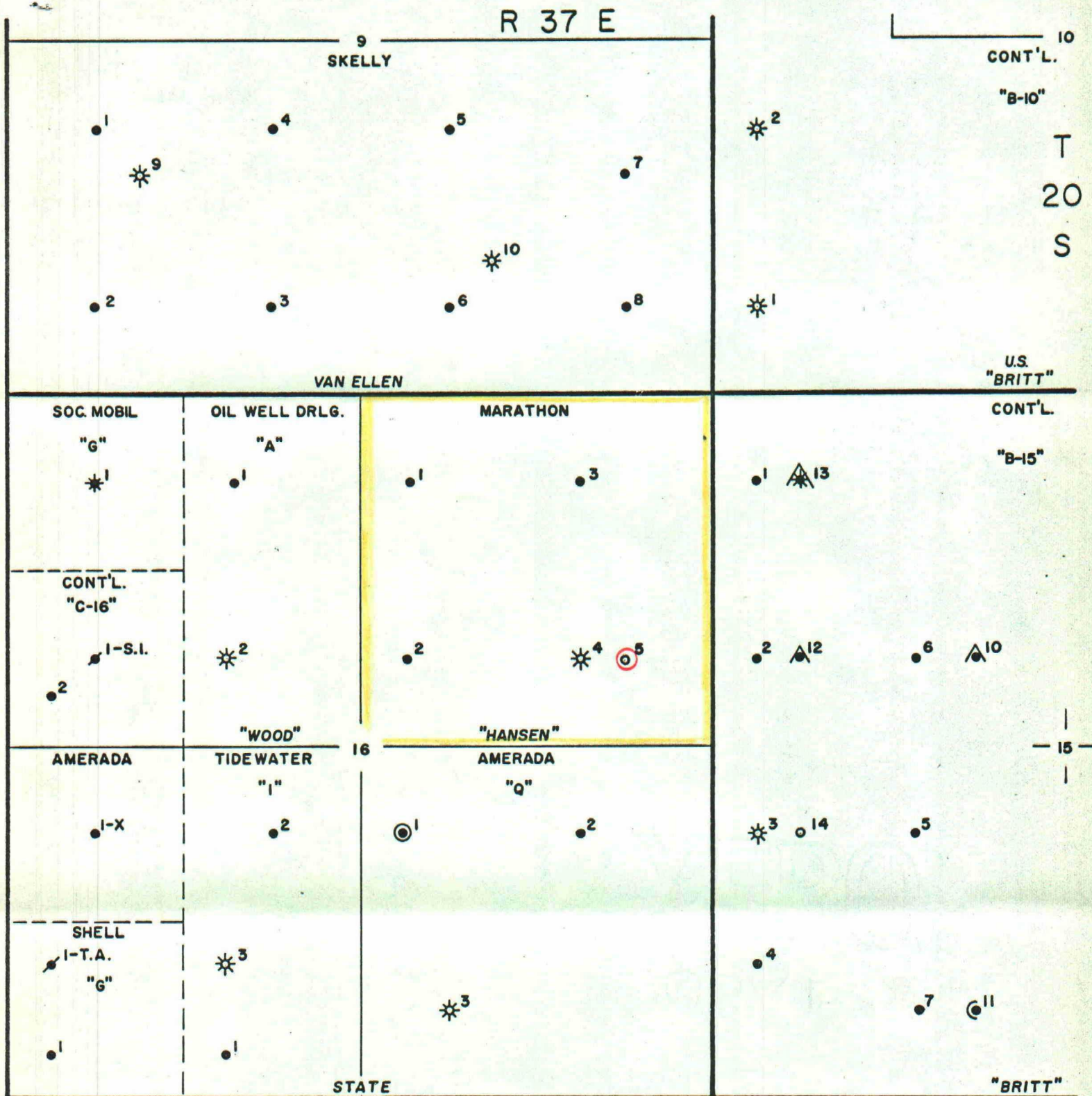
MARATHON OIL COMPANY
State Hansen Lease
Sec. 16, T-20-S, R-37-E
Lea County, New Mexico

"EQUIPMENT TO BE USED FOR PROPOSED COMINGLING OF THE
WEIR-BLINEBRY & MONUMENT TUBB PRODUCTION
FROM STATE HANSEN, WELL NO. 5"



SYMBOLS

	Pump
	Block Valves
M	Meter
HT	Heater Treater
ST	Storage Tanks
A	Blinebry Production
B	Tubb Production



LEGEND

- Monument Oil
- ⊙ Monument Tubb Oil
- ⊙ Monument Oil & Monument Tubb Oil
- ⊙ Monument Tubb Oil & Weir Blinebry Oil
- ⊙ Weir Blinebry Oil & Tubb Gas
- ★ Eumont Gas
- ★ Monument Oil & Eumont Gas
- ⊙ Proposed Monument Tubb Oil & Weir Blinebry Oil

MARATHON OIL COMPANY

"Plat of State Hansen Lease"

Lea County, New Mexico

Scale: 1" = 1000' 10-29-62

November 13, 1962

Marathon Oil Company
P. O. Box 2107
Hobbs, New Mexico

Attn: T. O. Webb, Petroleum Engineer

Gentlemen:

You are hereby given permission to commingle in common facilities, the production from the Monument Tubb and Weir Blinebry zones of State Hansen, Well No. 5, located in Unit H, Section 16, Township 20N, Range 37E, Lea County, New Mexico.

We have made note of the fact that there will be very little difference in the values of the commingled production and that you have complied with our request in submitting information on this project.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By:
TED BILBERRY, Supervisor
Oil and Gas Department

EW/TB/pb

cc: Oil Conservation Commission, Santa Fe

Oil and Gas Accounting Commission, Santa Fe