



MARATHON OIL COMPANY

May 2, 1969

P. O. Box 220  
Hobbs, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.  
Secretary and Director

Dear Sir:

Marathon Oil Company hereby respectfully requests an exception to Rule 303 to permit the commingling of Wantz Abo and Drinkard Oil Pool production on the W. S. Marshall "B" Lease comprising the SW/4 of Section 27, T.21S, R.37E, Lea County, New Mexico.

Attached hereto is a plat showing the wells on the subject lease (along with offset operator's wells) indicating the formation in which these wells are completed. Also attached is a diagrammatic sketch of the proposed commingling facility showing it to be of an acceptable design in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities." A letter of approval from Mobil Pipeline Corporation, purchaser of the oil from the subject lease is also attached with this application.

All of the wells on the subject lease are marginal producers incapable of making top allowable and none have penalized production due to high gas-oil ratios. A tabulation of the last two months oil production from Marathon's wells involved in this application is listed below:

<u>Pool &amp; Well No.</u>	<u>Month</u>	<u>Top Allow (Bbls.)</u>	<u>Oil Prod. (Bbls.)</u>	<u>No. Days Prod.</u>
Drinkard #1	March	3286	240	31
	April	3300	180*	30*
Drinkard #2	March	3286	151	29
	April	3300	97*	30*
Drinkard #4	March	3286	113	29
	April	3300	90*	30*
Wantz Abo #9	March	Well not completed		
	April	4350	115*	12*

\*Approx.-from preliminary April production reports.

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Re 381

A tabulation showing the present segregated production value as compared to the commingled production value of the oil on this lease based on the April's production is listed below:

Segregated

<u>Pool</u>	<u>Gravity (°API)</u>	<u>Price (\$/Bbl.)</u>	<u>Apr. Prod. (Bbls.)</u>	<u>Income (\$)</u>
Drinkard	38.5	3.22	367	1181.74
Wantz Abo	43.0	3.26	<u>288**</u>	<u>938.88</u>
Total			655	2120.62

Commingled

<u>Pool</u>	<u>Weighted Gravity (°API)</u>	<u>Price (\$/Bbl.)</u>	<u>Apr. Prod. (Bbls.)</u>	<u>Income (\$)</u>
Drinkard & Wantz Abo	40.5	3.26	655	2135.30

\*\*Production corrected to a 30-Day  
producing month.


As can be noted from the above tabulation there is no loss of income anticipated due to commingling of the Drinkard Oil and Wantz Abo Oil on the subject lease.

Marathon proposes to determine the oil production from each well and pool from periodic well tests and allocate this production to the proper well and pool.

The ownership of the four wells on the subject lease along with the working interest ownership and royalty ownership are common throughout.

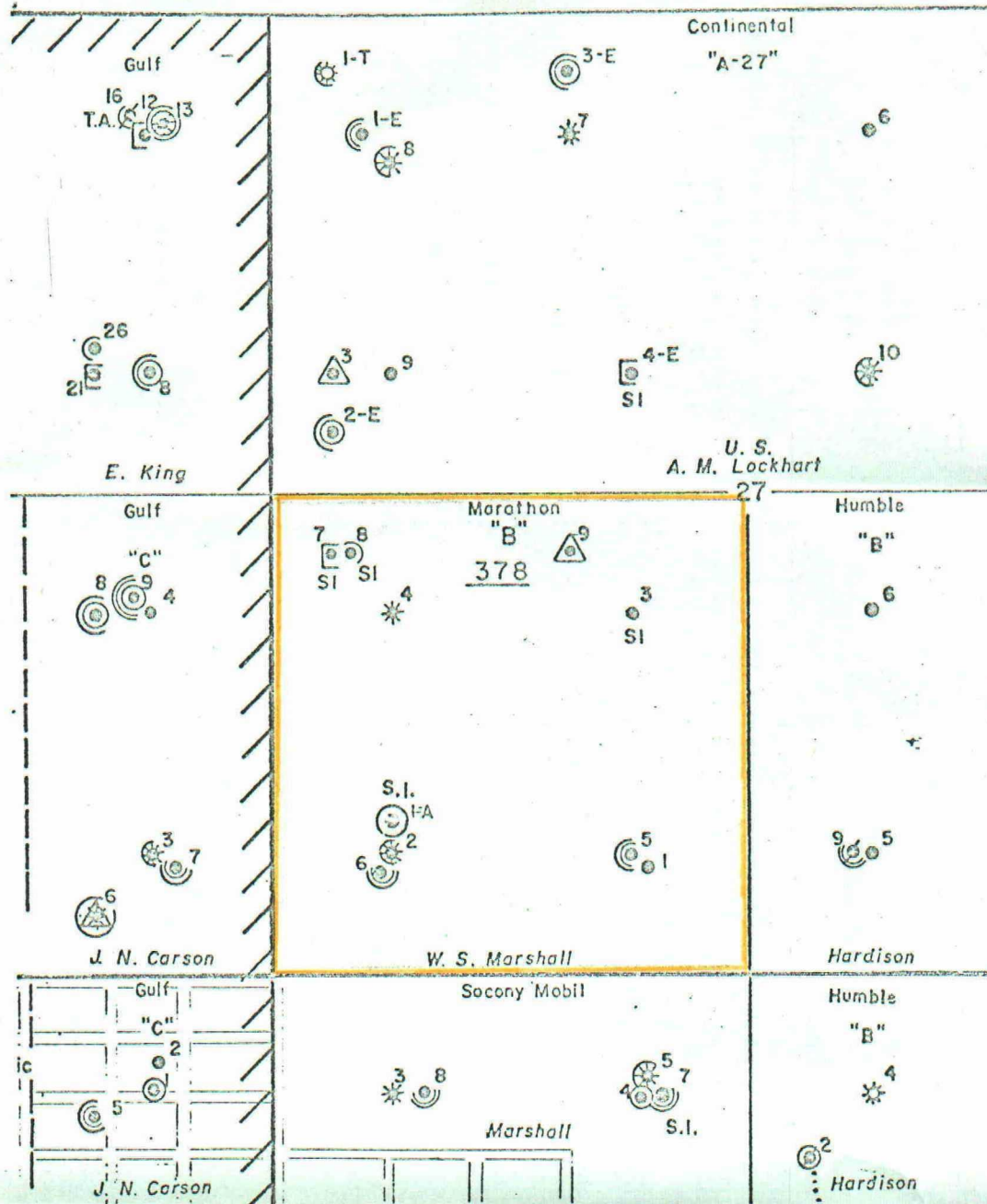
Yours very truly,

MARATHON OIL COMPANY

  
Joe W. Younger  
Area Engineer

LCM:bje

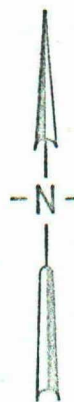
cc: NMOCC-Santa Fe 0/2  
R. W. Parker  
R. M. Young  
File



- DRINKARD OIL
- △ WANTZ ABO OIL
- ⊙ HARE OIL
- ⊞ BRUNSON OIL
- ⊙ PADDOCK OIL
- ⊙ PENROSE SKELLY OIL

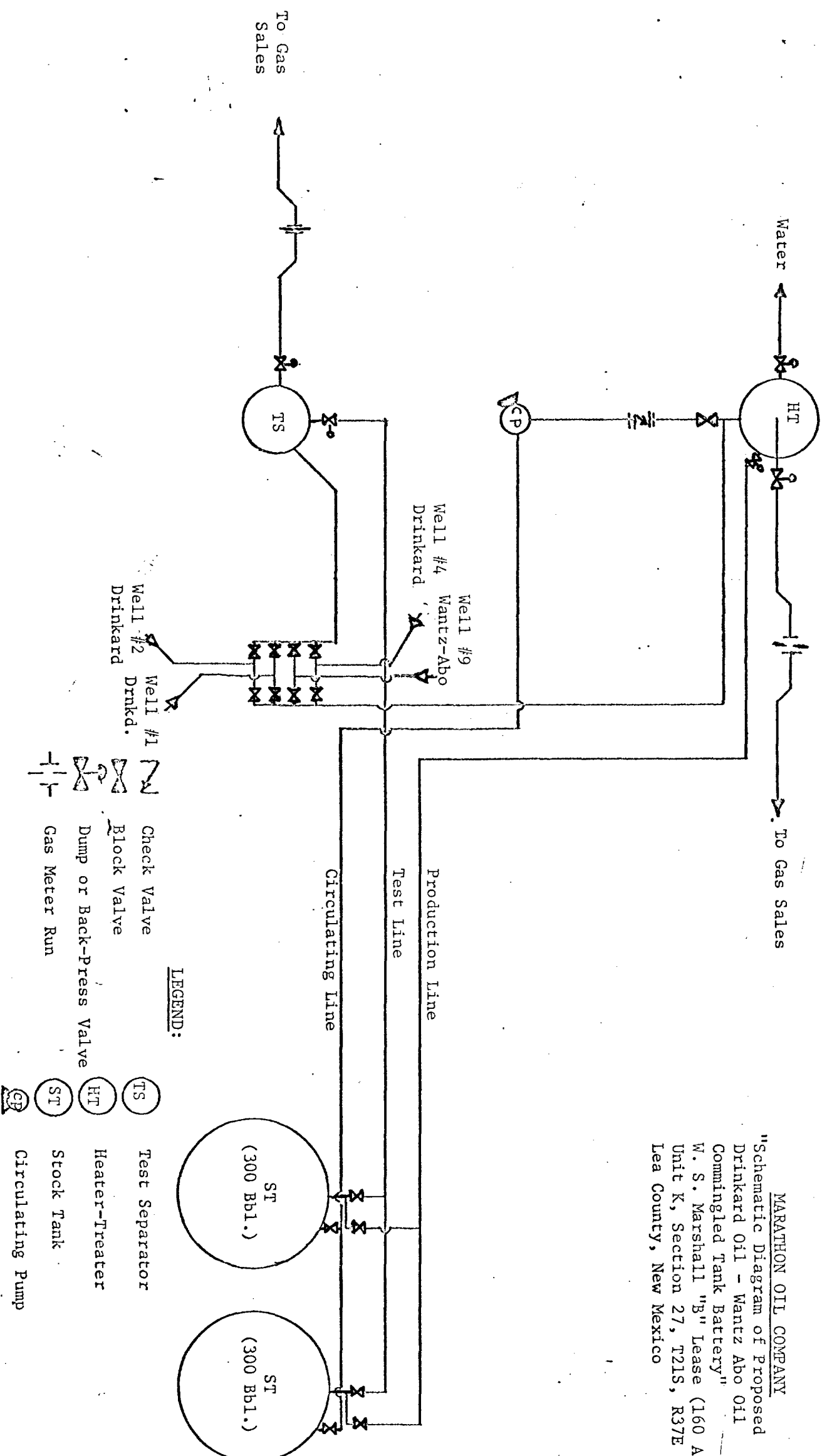
- \* DRINKARD OIL, BLINEBRY GAS
- ⊙ BLINEBRY OIL, TUBB GAS
- ⊙ DRINKARD OIL, TUBB GAS
- ⊙ PENROSE SKELLY OIL, BLINEBRY GAS
- ⊙ PENROSE SKELLY OIL, PADDOCK OIL

DRINKARD FIELD AREA  
MARATHON OIL COMPANY  
W.S. MARSHALL "B" LEASE  
Sec. 27, T-21-S, R-37-E  
LEA COUNTY, NEW MEXICO



Scale 1" = 1000'

MARATHON OIL COMPANY  
 "Schematic Diagram of Proposed  
 Drinkard Oil - Wantz Abo Oil  
 Commingled Tank Battery"  
 W. S. Marshall "B" Lease (160 Acres)  
 Unit K, Section 27, T21S, R37E  
 Lea County, New Mexico



# Mobil Oil Corporation

P.O. BOX 633  
MIDLAND, TEXAS 79701

May 2, 1969

Marathon Oil Company  
P. O. Box 220  
Hobbs, New Mexico 88240

Attention: Mr. L. Charles Marquart

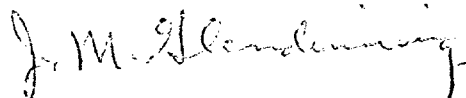
Gentlemen:

RE: Marshall "B" Lease  
Section 27, T-21-S, R-37-E  
Lea County, New Mexico

Mobil Oil Corporation is currently purchasing the Drinkard crude oil production from the subject lease via Mobil Pipe Line Company connection.

You have advised this date that you will produce Wantz Abo crude and commingle same with the Drinkard. In as much as the crudes are compatible for our crude stream and the gravities are close together, we are agreeable with the commingling and will purchase on the basis of the commingled gravities run to the pipeline.

Very truly yours,



J. M. Glendinning, Area Representative  
Crude Oil Department

JMG/jh