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August 25, 1997

HAND DELIVERED

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

HAND DELIVERED

Mr. Chris Williams
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

REGULAR MAIL

Re: REQUEST FOR TEMPORARY EXCEPTION FROM RULE 506
Application of Marathon Oil Company
for pool creation and the adoption of
special pool rules therefor
Lea County, New Mexico.

Gentlemen:

Today, on behalf of Marathon Oil Company, I filed the enclosed application to be set on the next available Division Examiner's docket scheduled for September 18, 1997.

Marathon is requesting the creation of a new Abo oil pool with a 10,000 to 1 GOR for its Hansen State Well No. 7, located in Unit B of Section 16, T20S, R37E, Lea County, New Mexico.

The purpose of this letter is to request temporary approval to continue to produce this well at a daily oil rate not in excess of the 187 BOPD depth bracket allowable and with a GOR not in excess of 10,000 to 1 pending the entry of an order addressing this application.

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The reason for this request for temporary approval to exceed the statewide 2,000 to 1 GOR is that the well will not recover any oil if produced at 2,000 to 1 GOR but can produce 187 BOPD if allowed to exceed the statewide GOR up to a maximum limit of 10,000 to 1 GOR.

Without such temporary relief, Marathon has no choice but to shut in the well pending a hearing and subsequent order.

Unfortunately, this well is more than a mile from the current boundaries of the Monument Abo Oil Pool which has a 10,000 to 1 GOR and therefore is not eligible for inclusion in that pool.

In support of this request, I am submitting the following:

Exhibit A: Tabulation of daily GORs for well from July 26, 1997 to August 24, 1997;

Exhibit B: Well Testing data

Exhibit C: Production plot

This data demonstrates that:

(1) On July 30, 1997 when the well was tested in an attempt to restrict it to a 2,000 to 1 GOR, the well produced 3.2 MMCFG and only 12 barrels of oil (See Exhibit B)

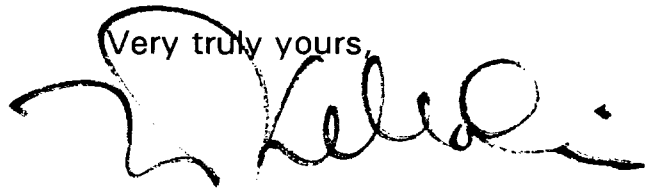
(2) On August 12, 1997, the well was tested at peak oil rate of 377 BOPD which produced 2.5 MMCFGPD for a 6594 to 1 GOR; (See Exhibit A)

(3) On August 23, 1997, it was restricted to 189 BOPD which is the approximate depth bracket allowable with the well producing 1.85 MMCFGPD and 61 barrels of water for a GOR of 9788 to 1.

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It is apparent that the most efficient rate at which to maximize oil production is to produce this well at a GOR up to 10,000 to 1. Accordingly, Marathon requests a temporary exception to Rule 506 pending hearing of this matter

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name below.

W. Thomas Kellahin

cfx: Marathon Oil Company
Attn: Thomas C. Lowry, Esq.

HANSEN STATE NO. 7 MARATHON OIL COMPANY

Dr. P. J. -

Date	BOPD	MCFPD	BWPD	GOR	FTP	CHOKE
7/26/97	274	3987	48	14551	1750	22
7/27/97	280	4230	24	15107	1775	22
7/28/97	125	1772	78	14176	2050	12
7/29/97	75	1772	0.1	23627	2005	12
7/30/97	104	1500	0.1	14423	2005	12
8/2/97	162	2473	14	15265	1750	18
8/3/97	246	2912	0.1	11837	1700	18
8/4/97	270	3232	0.1	11970	1700	18
8/5/97	236	3055	10	12945	1650	18
8/6/97	310	2892	0.1	9329	1575	19
8/7/97	326	2716	0.1	8331	1520	19
8/8/97	367	2705	0.1	7371	1500	19
8/9/97	316	2334	8	7385	1500	19
8/10/97	357	2536	0.1	7104	1500	19
8/11/97	367	2530	0.1	6894	1440	19
8/12/97	377	2486	0.1	6594	1440	19
8/13/97	356	2459	17	6907	1440	19
8/14/97	252	2405	120	9544	1420	19
8/15/97	277	2251	96	8126	1420	19
8/16/97	222	1948	43	8775	1580	15
8/17/97	168	1784	67	10619	1600	15
8/18/97	173	1772	40	10243	1590	15
8/19/97	191	1794	67	9393	1610	15
8/20/97	193	1788	55	9264	1610	15
8/21/97	191	1773	57	9283	1560	15
8/22/97	189	1850	63	9788	1550	15
8/23/97	145	1544	61	10648	1560	15
8/24/97	191	1826	61	9560	1560	15

EXHIBIT

A

Company	MARTHON	Location	HANSON STATE #7
County			Date 7/30/97

[illegible]

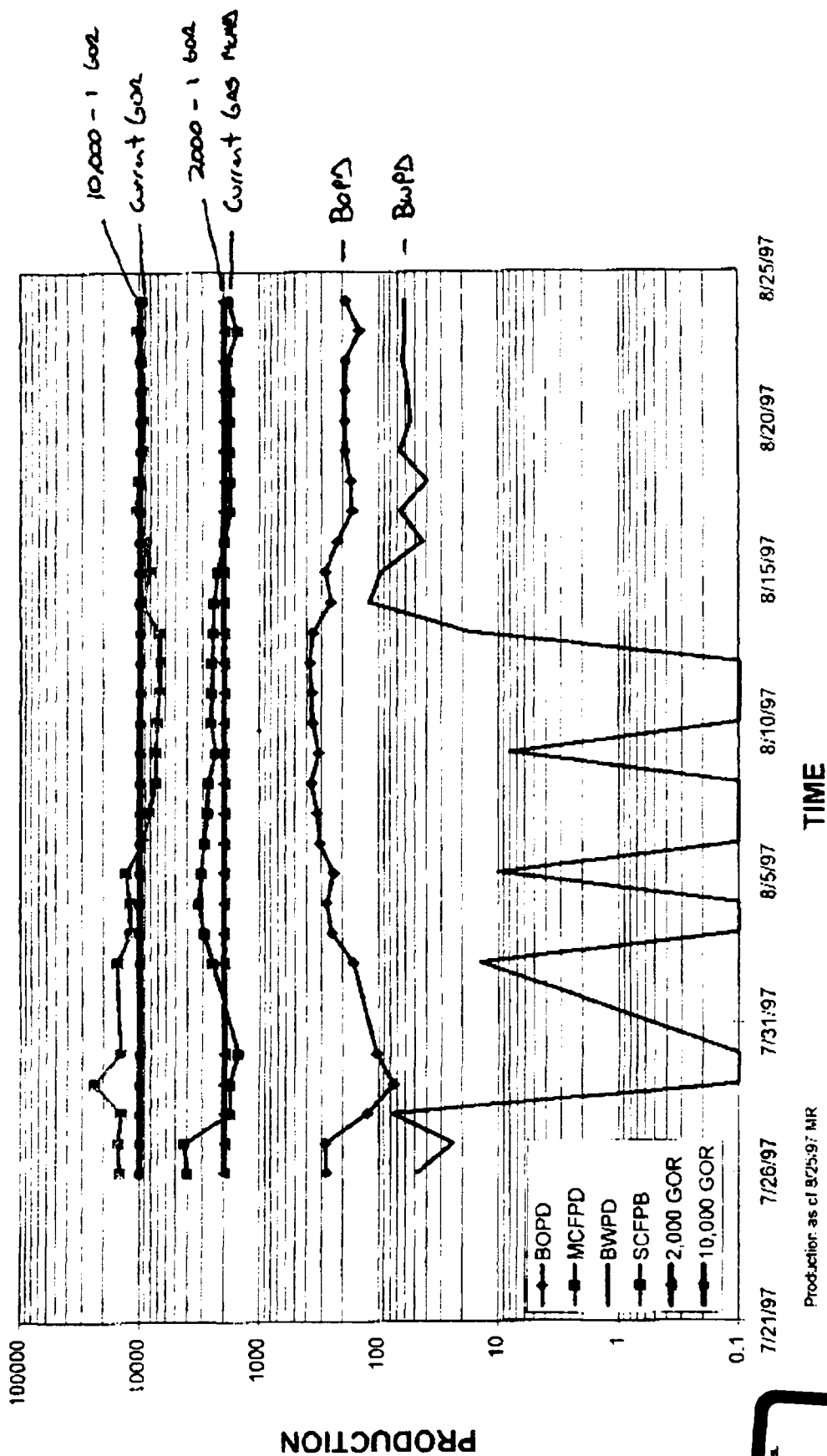
Total oil produced last	17 Hrs.	=	78 Bbls.
Total H ₂ O produced last	17 Hrs	=	0 Bbls.
Treatment load		=	132 Bbls. load to recover

Well Testing:

EXHIBIT

3

HANSEN STATE NO. 7 (ABO) MONUMENT FIELD



Production as of 8/25/97 MR

