



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

7-6-90

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OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Doc. 763

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

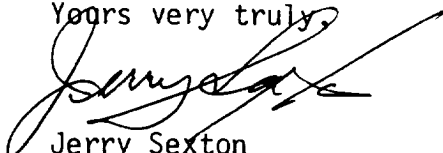
I have examined the application for the:

Marathon Energy Corp. Petrolia D# #4-14 11-17-83
Operator Lease & Well No. Unit S-T-R

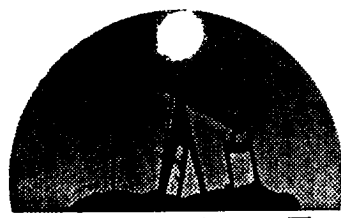
and my recommendations are as follows:

OK

Yours very truly,


Jerry Sexton
Supervisor, District 1

/ed



marbob
energy corporation

June 3, 1990

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

Attention: David Cattanach

RE: Downhole Commingling
Petrus D ~~State~~ No. 4
Lease No. 2516-B
SE/4 NE/4, Sec. 11,
T-17S, R-~~32~~³³E, N.M.P.M.
Lea County, New Mexico

Gentlemen:

Marbob Energy Corporation respectfully requests an administrative exception to Rule 303-C for downhole commingling of production of two currently segregated zones on the above referenced well. This well is currently producing from the Sanmal Queen pool. The well was originally drilled to a depth of 4,700 feet with 5 1/2 inch casing set from surface to 4,700 feet. The Grayburg formation was perfed and acidized at 4,584-88 and 4592-96 with a show of oil. A cast iron plug was set at 4,500 feet and the Queen formation was perfed and acidized at 3760-70 feet, and is currently being produced. Marbob Energy Corporation owns 100% of the working interest and the Commissioner of Public Lands has a 12.5% royalty interest in both pools. Also, the Petrus D state No. 2 well located in Unit Letter L, Section 11, T-17S, R-33E has already been approved for down hole commingling and the entire lease has been approved for surface commingling of the Sanmal Queen and Maljamar Grayburg San Andres formations.

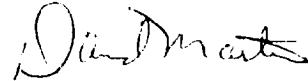
Please find the following attachments in support of our request:

1. Application for administrative approval of Rule 303-C
2. Plat of the Petrus State No. 4 well
3. C-115's
4. Gas-oil ratio test C-116

5. Completion report
6. Commissioner of Public Lands consent
7. Notice to offset operators

Thank you for considering this request. If you should need any further information, please do not hesitate to call me. I look forward to your decision.

Sincerely,



David Martin
Land Department

DM/dr

Enclosures

cc: Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504

Oil Conservation Division
Jerry Sexton
P.O.Box 1980
Hobbs, NM 88240

APPLICATION FOR ADMINISTRATIVE APPROVAL OF RULE 303-C

- A. Operator: Marbob Energy Corporation
P.O. Drawer 217
Artesia, NM 88210
Phone: 505/748-3303
- B. Lease: Petrus D State
No. 2516-B
Unit letter H, 1650' FWL and 990' FEL
Section 11, T-17S, R-33E
- C. Pools to
Commingle: Sanmal Queen
Maljamar Grayburg San Andres
- D. Estimated Sanmal Queen - 1300 psi
BHP: Maljamar Grbrg San Andres - 1000 psi
- E. Fluids: Produced fluids are compatible
Oil Gravities average 35.4 deg. API
- F. Value:
- | | | |
|------------------|------------------|------------------|
| Queen | 15 BOPD X | 15.00/BBL |
| Grbrg San Andres | 3 BOPD X | 15.00/BBL |
| | <u>18 BOPD X</u> | <u>15.00/BBL</u> |

The gravity for each type of oil varies by less than 1/2 a degree so the price received is almost identical for both formations. Therefore, the value of the combined production will be the same as the sum of the individual production.

- G. Allocation: Production from the two zones will be allocated based on the established production rate for the Sanmal Queen (15 BOPD, 10 MCFD) and a test of the Maljamar Grayburg San Andres formation which should yield 3 BOPD and 8 MCFD.

- H. Notifications: Yates Petroleum Corporation has been sent a certified return-receipt letter notifying them of Marbob's desire to downhole commingle two zones. The letter was mailed July 3, 1990.

