



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

6-16-93

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

DHC 987

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

RE: Proposed:

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

Gentlemen:

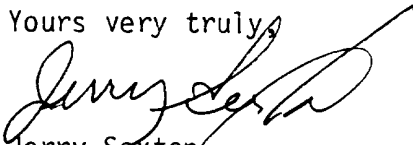
I have examined the application for the:

<u>Marathon Oil Co</u>	<u>Uran State A/c-2</u>	<u>#8-N</u>	<u>6-18-35</u>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

OK

Yours very truly,


Jerry Sexton
Supervisor, District 1

/ed

OCD



**Marathon
Oil Company**

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

May 25, 1993

Commissioner of Public Lands
New Mexico State Land Office
Santa Fe, New Mexico 87504-1148

RECEIVED

MAY 27 1993

C. C. D.
C. C. D.

Attn: Mr. Pete Martinez

Re: Request for Administrative Approval
of Downhole Commingling
Warn State A/C 2 Well No. 8
Unit N, 330' FSL & 233' FWL
6 Section 5, T-18-S, R-35-E
Lea County, New Mexico

Dear Mr. Martinez:

Marathon Oil Company respectfully requests administrative approval to downhole commingle production in the above captioned well from the Vacuum (Abo) and the Vacuum (Drinkard) pools.

The Abo Pool was recently abandoned when the subject well was recompleted to the Drinkard Pool. This recompletion resulted in marginal Drinkard production. By allowing the commingling of the two zones, it would economically justify keeping the well on production for an extended period, minimize any associated waste, and increase revenues for the state of New Mexico.

Please find attached a completed pre-application form, well descriptions, production data, lease plat and other pertinent data supporting this application. Should you require additional information concerning this request, please feel free to contact me at (915)682-1626.

Sincerely,

A handwritten signature in cursive script that reads 'T. M. Price'.

T. M. Price
Northwest Operations

BDL/jo/93015

COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

Marathon Oil Company requests approval to downhole commingle production from the Abo Reef & Drinkard Pools in the Warn State A/C 2 Well No. 8

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
8	N,S-5,T18S,R35E	Marathon	874850	Abo Reef
8	n,S-5,T18S,R35E	Marathon	874850	Drinkard

NAME: Brent Lockhart

COMPANY: Marathon Oil Company

PHONE NUMBER: (915)-682-1626

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

KKCS 06-04-91

WARN STATE A/C 2 WELL NO. 8
Downhole Commingle

<u>Pool</u>	<u>Quality</u>	<u>Gravity</u>	<u>BOPD*</u>	<u>MCFPD*</u>	<u>\$/BO**</u>	<u>\$/MCF**</u>
Abo Reef	Sour	38	14	60	18.50	2.25
Drinkard	Sour	38.5	9	29	18.50	2.25

By allowing the commingling of the Abo Reef with the existing Drinkard, the State will gain $[(14 \times 18.50) + (60 \times 2.25)] \times .125 = \49.25 in revenue per day.

* Rates were taken from January 1993 and May 1993 well tests.

** Prices were taken from April 1993 averages.

Note: Ownership of the two pools commingled is common and correlative rights will not be violated. Also, the quality and gravity of the two oils are similar, so commingling will not devalue the market price of the combined stream.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

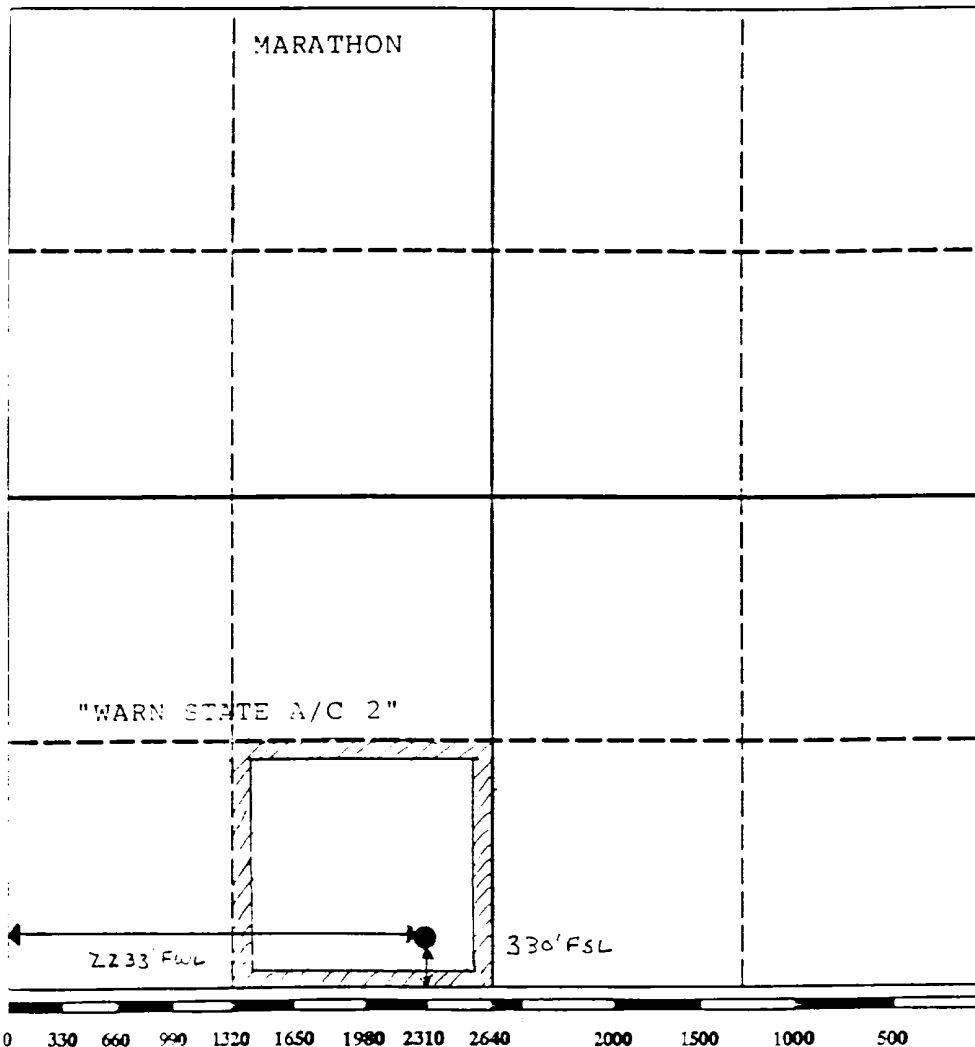
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARATHON OIL COMPANY		Lease WARN STATE A/C 2		Well No. 8
Unit Letter N	Section 9	Township 18-S	Range 35-E	County Dea
Actual Footage Location of Well: 330 feet from the South line and 2233 feet from the West line				
Ground level Elev. 3976'	Producing Formation Abo	Pool Vacuum	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, forced-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowance will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Brent D. Lockhart
Printed Name
Brent D. Lockhart
Position
Advanced Eng. Tech
Company
Marathon Oil Company
Date
February 5, 1993

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Bureau of Geology, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

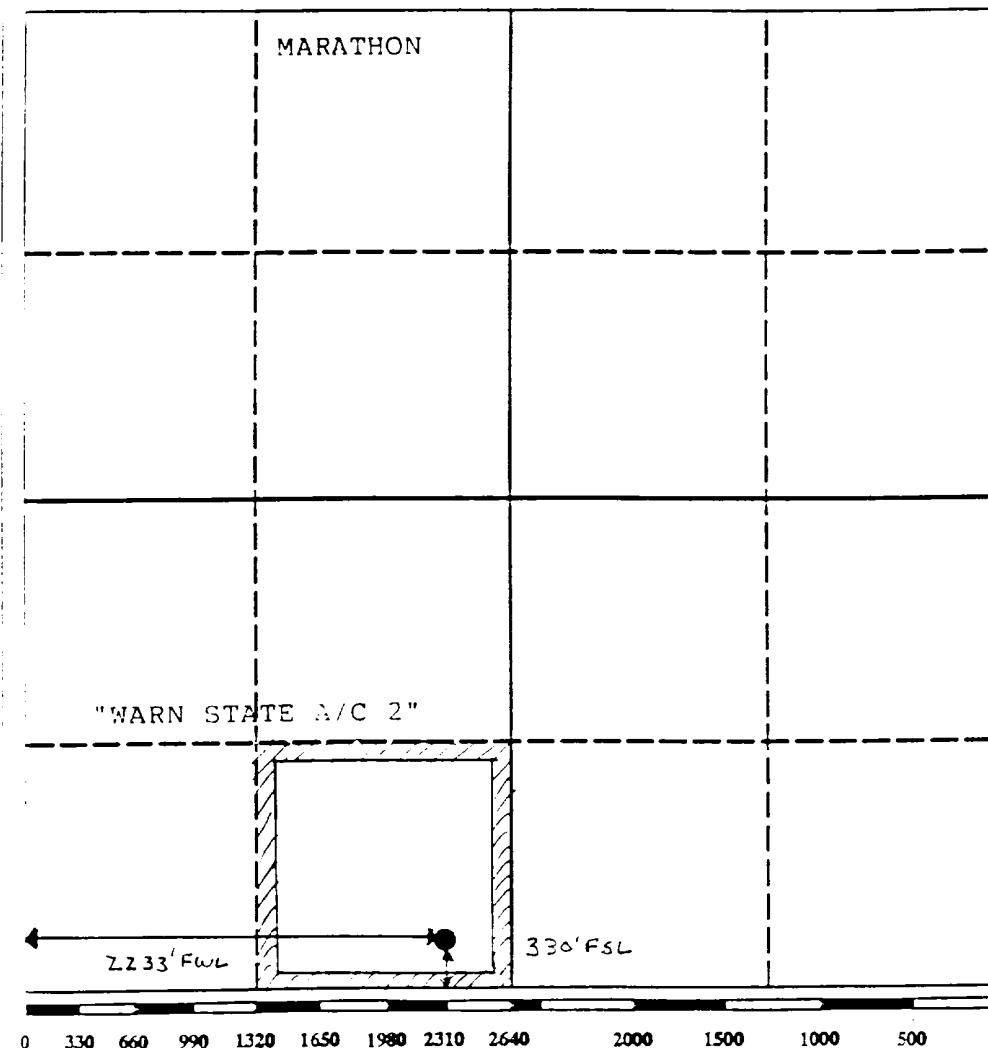
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARATHON OIL COMPANY		Lease WARN STATE A/C 2		Well No. 8
Unit Letter N	Section 6	Township 18-S	Range 35-E	County Lea
Actual Footage Location of Well: 330 feet from the South line and 2233 feet from the West line				
Ground level Elev. 3976'	Producing Formation Drinkard	Pool Vacuum	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type or consolidation
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Brent D. Lockhart

Printed Name

Brent D. Lockhart

Position

Advanced Eng. Tech

Company

Marathon Oil Company

Date

February 5, 1993

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

SITE SECURITY PLAN

LEASE : Warn State A/C 2 (Abo)

FIELD : Vacuum

OPERATOR : Marathon Oil Company

VERIFICATION OF PRODUCTION

Oil: Well tests (1) and tank gauges (2)(4)

Gas: Metered by Phillips Petroleum Co. (meter testing) (3)
Witnessed by a Marathon representative.

SITE SECURITY

Daily gauging of tanks.

Locking and sealing from point of water or gas separation through sales point.

All openings in piping system locked, sealed, or bullplugged.

Three strand barbwire fencing around battery.

HYDROCARBON PURCHASER/TRANSPORTER

Oil : Texas-New Mexico Pipeline

Gas : Phillips Petroleum Co.

Water: Rice Engineering

COMMINGLING

None

METHOD OF GAUGING SALES

Oil: Tank gauges (2)(4)

Gas: Orifice meter (3)

WITNESS TO SALES OR TRANSFER

Marathon Pumper

METHOD OF DELIVERY

Oil: Pipeline (4)

Gas: Pipeline (3)(5)

RUN TICKET DISPOSITION

Witnessed by Marathon Pumper (4) and mailed to company office.

GAS SALES

Gas Volumes supplied to company office by purchaser. (5)

SITE MONITORING

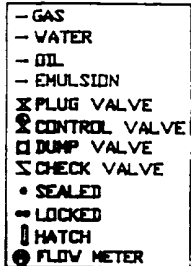
Site monitored periodically by company representative to check for compliance.

TRAINING PROGRAM

All field personnel have been given instructions on site security.

SITE SECURITY SPECS

- (1) Representative Monthly Well Tests conducted by Marathon Pumper.
- (2) Weekly Tank Gauge, Run Report and End of Month Report prepared by Marathon Pumper.
- (3) Orifice Meter Station Report - Phillips Petroleum Co.
(Includes Gas Settlement and Meter Calibration Report)
- (4) Run Tickets witnessed by Marathon Pumper.
- (5) Gas Volume Statement from Phillips Petroleum Co.



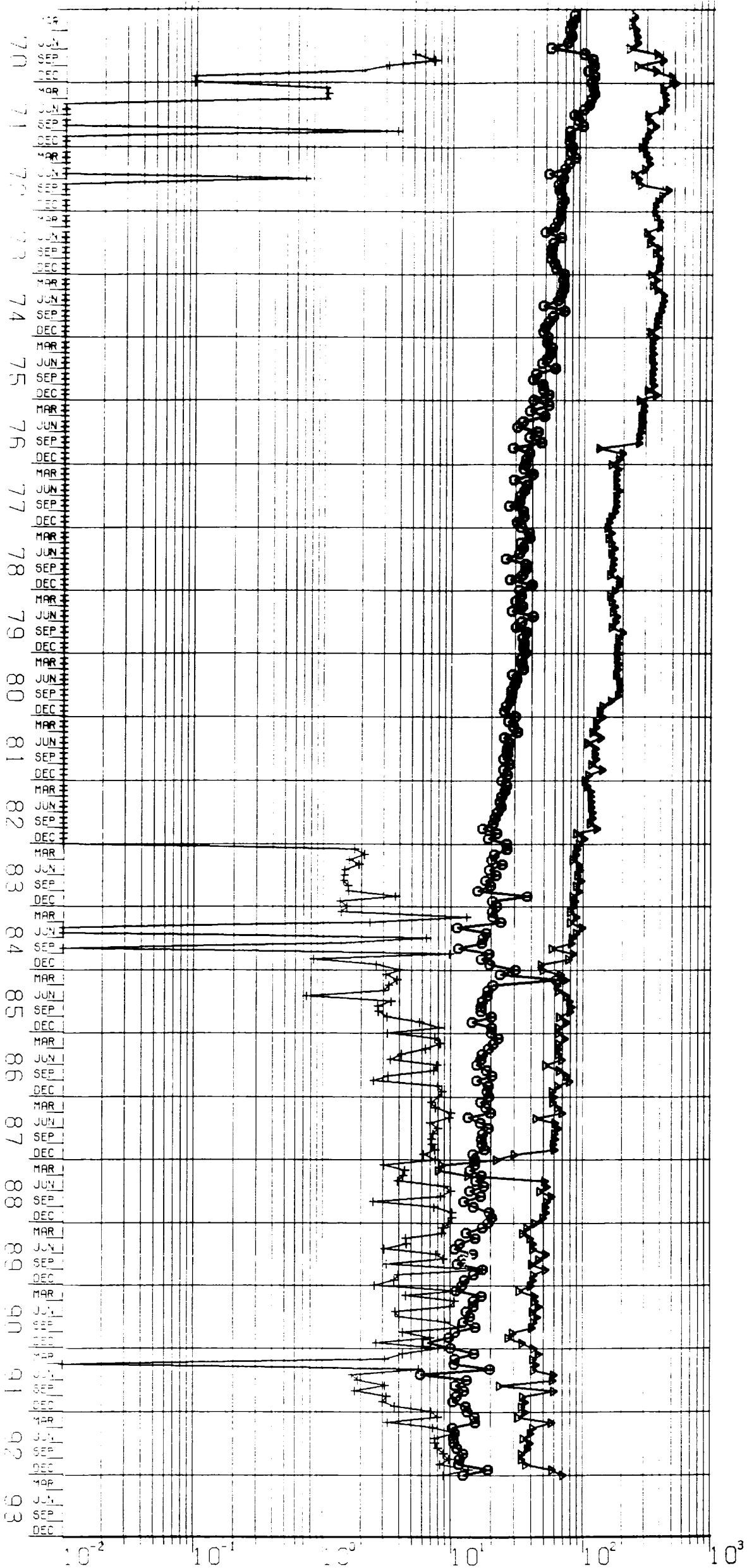
Drawn By: R.J. PROSCEND

PRODUCTION FACILITY EQUIPMENT SPECIFICATIONS
WARN STATE A/C 2 (ABO) BATTERY
ACQUUM FIELD, NM
AUGUST 14, 1990

Item No.

- 1 Type: Heater Treater
Size: 6' x 20'
Serial: 66841
Manufacturing Date: 1957
Max WP: 50 psi
Valves: 2-2", 5-3"
- 2 Type: 2-Phase Vertical Separator
Size: 30" x 125"
Serial: P-7480
Manufacturing Date: n/a
Max WP: 125 psi
Valves: 3-2"
- 3 Type: Circulating Pump
Size: 1.5" x 1.5"
Serial: 3094404
- 4 Type: 500 bbl Oil Steel Tank
Size: 15.5' x 16'
Serial: 12.884
Manufacturing Date: 1961
Max WP: 4 oz
Valves: 1-2", 2-3", 2-4"
- 5 Type: 500 bbl Oil Steel Tank
Size: 15.5' x 16'
Serial: 12.883
Manufacturing Date: 1961
Max WP: 4 oz
Valves: 1-2", 2-3", 2-4"

FIELD - VACUUM
 RESERVOIR - ABO REEF
 LEASE - WARN STATE A/C 2
 WELL - WARN STATE A/C 2-NO. 8



O+C CALENDAR DLY AVG _____
 GAS CALENDAR DLY AVG _____
 MTR CALENDAR DLY AVG _____

FORM 208 REV. 1-90

THIS CHECK IS VOID IF GREEN COLORED BACKGROUND IS ABSENT

56-389
412

Marathon Oil Company
MIDLAND, TEXAS

NO. 6459

PAY TO THE ORDER OF

Jim Baca
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

MO. DAY YR.

02 04 93

MATCH AMOUNT IN
WORDS WITH NUMBERS

\$30.00

VOID AFTER 180 DAYS

THE AMOUNT IN NUMBERS MUST MATCH THE AMOUNT IN WORDS
Thirty and no/100

FIRST NATIONAL BANK OF ASHLAND
AN AFFILIATE OF
NATIONAL CITY BANK
CLEVELAND, OHIO

Joseph P. Bush

⑈006459⑈ ⑈04⑈203895⑈ 0078238⑈