



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

June 25, 1999

Application to Simultaneously Dedicate
Eumont - Yates, 7 Rivers & Queen Pool Production

McDonald State A/C 2 Well No. 31
Unit Letter 'G', 1800' FNL & 1650' FEL
Section 13, T-22-S, R-36-E
Lea County, New Mexico

McDonald State A/C 2 Well No. 11
Unit Letter 'A', 330' FNL & 330' FEL
Section 13, T-22-S, R-36-E
Lea County, New Mexico

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

Dear Mr. Stogner:

Marathon Oil Company respectfully requests authorization to simultaneously dedicate the above well to the Eumont - Yates, 7 Rivers & Queen Pool Production within the 160 acre non-standard gas proration unit (NSP-439). This non-standard gas proration unit is comprised of the NE/4 of Section 13, T-22-S, R-36-E in Lea County, New Mexico.

Currently Administrative Order NSP-439 apply to McDonald State A/C 2 Well No. 11. On a recent workover/recompletion on McDonald State A/C 2 Well No. 31, the Drinkard was abandon. The Eumont was then perforated and stimulated. Wells on this lease to be simultaneously dedicate to the non-standard gas proration unit NSP-439 for the Eumont - Yates, 7 Rivers & Queen Pool are:

McDonald State A/C 2 Well No. 11	API No. 30-025-08897
McDonald State A/C 2 Well No. 31	API No. 30-025-25932

This lease has more than 640 acres. Other Eumont - Yates, 7 Rivers & Queen Pool non-standard gas proration units cover 280 acres (NSP-440B). They are dedicated to the NW/4 portion of Section 13 and NW, SW & SE of SE/4 portion of Section 13.

Marathon also request a 30 day exception for theses well while awaiting approval. Attached are C-102's for each well showing the locations and footage for the two wells. Also we have sent this same information to the offset operators. If you have any questions or have need of additional data, please contact me at (505) 393-7106 ext. 201.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

**OFFSET OPERATORS
McDonald State A/C 2
NE/4 Section 13,
T-22-S, R-36-E, N.M.P.M.
Lea County, New Mexico
Eunice South Field**

T-22-S, R-36-E

Section 13: NW/4 and S/2
Marathon Oil Company

Section 12: S/2
ARCO
P.O. Box 1610
Midland, Texas 79702-1610

T-22-S, R-37-E

Section 7: SW/4
Gruy Petroleum Management Company
600 Las Colinas Blvd. E., Ste 1200
Irving, Texas 75039-5611

Section 18: NW/4 and W/2 of SW/4
Chevron USA Inc.
P.O. Box 1150
Midland, Texas 79702

 E/2 of SW/4
Collins and Ware
508 W. Wall Ste. 1200
Midland, Texas 79701

Submit 2 copies to Appropriate
District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
811 S. 1st Street, Artesia, NM 88210-2834
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator		Pool		County										
Marathon Oil Company		Eumont, Yates, 7 Rivers Queen (Gas)		Lea										
Address		P.O. Box 2490 Hobbs, NM 88241		Type of Test - (X)										
LEASE NAME		WELL NO.	LOCATION	DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	WATER BBL'S	PROD. DURING TEST	GAS-OIL RATIO CUFFT/BBL		
			U	S	T	R								
McDonald State A/C 2		11	A	13	22	36	6/15/99	P	200	24	1	0	147	NA
		31	G	13	22	36	5/19/99	F	18	24	1	0	88	NA

For Information Only

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60°F.
Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.

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

Signature
Thomas P. Kacir

Thomas P. Kacir Production Engineer

Printed name and title

June 25, 1999 393-7106

Date Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)

Houston Division
Production Operations, United States



**Marathon
Oil Company**

P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

June 25, 1999

Chevron USA Inc.
P. O. Box 1150
Midland, Texas 79702

RE: Application to Simultaneously Dedicate
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Lea County, New Mexico

McDonald State A/C Well No. 11
Unit Letter A, 330' FNL & 330' FEL
Section 11, T-22-S, R-36-E
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to simultaneously dedicate Eumont - Yates, 7 Rivers & Queen Pool Production to a 160 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of



**Marathon
Oil Company**

P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

June 25, 1999

Collins and Ware
508 W. Wall Ste. 1200
Midland, Texas 79701

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Midland, Texas 79702-1610

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