

BRUCE KING

GOVERNOR

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

9-23-94

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

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

DHC-104E

RE: Proposed: MC DHC NSL NSP SWD WFX PMX

Gentlemen:

I have examined the application for the:

Marathon Dil Co	US Marshall	B	土(-N)	27-215-370
Operator	Lease & Well No.		S-T-R	

and my recommendations are as follows:

K

Yours very truly Werry Sexton

Supervisor, District 1



P.O. Box 2409 Hobbs, NM 88241-2409 Telephone 505/393-7106

September 16, 1994

State of New Mexico Oil Conservation Division Energy and Mineral Department Mr. David Catanach PO Box 2088 Santa Fe, NM 87501

> RE: REQUEST FOR EXCEPTION TO RULE 303-A DOWNHOLE COMMINGLING W.S. MARSHALL "B" WELL NO. 1 UNIT N, 589' FSL & 2051' FWL SECTION 27, T-21-S, R-37-E BLINEBRY AND DRINKARD FORMATIONS DRINKARD FIELD LEA COUNTY, NEW MEXICO

Dear Mr. Catanach:

Marathon Oil Company respectfully requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of the Blinebry and Drinkard formations in the above mentioned well.

Currently, the well is produced by plunger lift but is loaded up due to the high fluid volumes. The Blinebry has the capacity to produce 4 BOPD and 162 MCFD when the plunger lift is operating efficiently. The Drinkard consists of two zones, a perforated interval and an open hole interval. To downhole commingle the two formations, a CIBP will be drilled out and if possible a retrievable bridge plug removed from the wellbore. Production from the Drinkard is expected to be 3 BOPD and 100 MCFD.

The proposed downhole commingling will allow the Drinkard to be reactivated and economically justify the installation of rod pumping equipment. The rod pumping will allow for a lower abandonment pressure for both zones thus lengthening the life of the well and minimizing waste.

Enclosed is the pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact Rick Gaddis at (505) 393-7106 ext 201.

Sincerely,

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T.A. Deines Northwest Operations Production Superintendent

RDG:TAD/94114/kc Attachments

REQUEST FOR EXCEPTION TO RULE 303-A

W.S. MARSHALL "B" WELL NO. 1 DRINKARD FIELD

- (A) Marathon Oil Company PO Box 2409 Hobbs, NM 88240
- (B) W.S. Marshall "B" Well No. 1 Unit N, 589' FSL & 2051' FWL Section 27, T-21-S, R-37-E Lea County, New Mexico Commingle Zones: Blinebry Drinkard
- (C) A plat of the area is attached showing the lease and offset operations. Also attached is a C-102 for each formation.
- (D) The Form C-116 for each of the formations is attached. The allocated production for the Blinebry will be based upon the current rate and the rate for the Drinkard will be based upon the rates prior to abandonment along with the historical production declines.
- (E) Production curves for both the Blinebry and Drinkard are attached.
- (F) <u>Estimated</u> bottomhole pressure for each zone:

Blinebry	450	psia
Drinkard	500	psia

- (G) Marathon is commingling the fluids at the surface and has not encountered incompatibility problems.
- (H) If the downhole commingling is approved, the lost production and reserves of the Drinkard will be recovered while maximizing recoveries from the Blinebry, thus preventing waste.

(I)

Production from the latest GOR test as follows:

FORMATION	<u>OIL (bpd)</u>	<u>GAS (mcfd)</u>	WATER (bpd)
Blinebry Drinkard*	4.0	162 76	2.0
TOTAL	6.0	23.8	3.0

* Zone is currently TA. Rates are based upon production prior to abandonment .

Expected production from each formation:

FORMATION	<u>OIL (bpd)</u>	<u>GAS (mcfd)</u>	<u>WATER (bpd)</u>
Blinebry Drinkard	53	180 100	3
TOTAL	8	280	5

Allocated percentages should be:

FORMATION	<u>OIL (%)</u>	<u>GAS (%)</u>	<u>WATER (%)</u>
Blinebry Drinkard	62.5 <u>37.5</u>	64.3 <u>35.7</u>	60.0 <u>40.0</u>
TOTAL	100.0	103.0	100.0

- (J) Ownership of the two pools to be commingled are in common and correlative rights will not be violated.
- (K) By copy of this letter, we are notifying all offset operators of the proposed commingling.





P.O. Box 2409 Hobbs, NM 88241-2409 Telephone 505/393-7106

September 16, 1994

Offset Operators W.S. Marshall "B" Well No. 1 (mailing list attached)

> RE: REQUEST FOR EXCEPTION TO RULE 303-A DOWNHOLE COMMINGLING MARATHON OIL COMPANY W.S. MARSHALL "B" WELL NO. 1 UNIT N, 589' FSL & 2051' FWL SECTION 27, T-21-S, R-37-E BLINEBRY AND DRINKARD FORMATIONS DRINKARD FIELD LEA COUNTY, NEW MEXICO

Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation Division to downhole commingle the above captioned well. Enclosed, please find a copy of the application as outlined in Rule 303-A.

If you are in agreement and waive all objections to the downhole commingling, please sign below and return one copy to Marathon at the above address.

Sincerely,

T.A. Deines Northwest Operations Production Superintendent

RDG:TAD/94117/kc Attachments

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Agreed and accepted this	day of,
1994 by	, as representative of
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OFFSET OPERATORS

W.S. MARSHALL "B" LEASE SW/4, SECTION 27, T-21-S, R-37-E, NMPM LEA COUNTY, NEW MEXICO

LOCATION		OPERATOR
Section 27, 1	N/2	Conoco, Inc. PO Box 1959 Midland, TX 79702-1959
Section 27,	SE/4	Exxon Company USA PO Box 1600 Midland, TX 79702-1600
Section 28,	E/2	Chevron USA, Inc. PO Box 1150 Midland, TX 79702-1150
Section 33,	NE/4	Mobil E & P US, Inc. PO Box 633 Midland, TX 79702-0633 Chevron USA, Inc.
Section 34,	NE/4	Exxon Company USA
Section 34,	NW/4	Mobil E & P US, Inc.