



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12-15-92

BRUCE KING
GOVERNOR

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

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:

Marathon Oil Co. J. L. Muncy #1-P 24-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed

Houston Division
Production Operations, United States



**Marathon
Oil Company**

P.O. Box 2409
Hobbs, New Mexico 88240
Telephone 505/393-7106

December 1, 1992

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

RE: Request for Exception to Rule 303-A
Downhole Commingling
Marathon Oil Company
J.L. Muncy Well No. 1
Unit P, 660' FEL & 660' FSL
Section 24, T-22-S, R-37-E
Tubb Gas and Brunson, South Formations
Drinkard Field
Lea County, New Mexico

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of production in the above subject well from the Tubb Gas and Brunson, South (Drinkard Abo) Pools in Lea County, New Mexico.

Currently, the well is dual completed with the Tubb Gas flowing up the annulus and Brunson, South flowing up the tubing. By allowing the commingling of the two zones, it would economically justify keeping the well on production for an extended period, and minimize any associated waste.

Enclosed is pertinent data supporting this application as outlined in rule 303-A. If additional information is necessary, please contact me at (505) 393-7106.

Sincerely,

S.P. Guidry
Northwest Operations
Area Superintendent

SPG:RDG/9224/kc

xc: R.W. Tracy

REQUEST FOR EXCEPTION TO RULE 303-A
J.L. MUNCY WELL NO. 1
DRINKARD FIELD

- (a) Marathon Oil Company
PO Box 2409
Hobbs, New Mexico 88240
- (b) J.L. Muncy Well No. 1-P
Unit P, 660' FEL and 660' FSL
Section 24, T-22-S, R-37-E
Lea County, New Mexico
Commingled Zones: Tubb Gas
and Brunson, South
(Drinkard Abo)
- (c) Plats (2) of area attached.
- (d) The Form C-116 for the Tubb Gas and Brunson, South (Drinkard Abo are attached).
- (e) Production decline curves for both the Tubb Gas and Brunson, South (Drinkard Abo) are attached.
- (f) Estimated bottom hole pressure for each zone:
Tubb Gas - 450 psi
Brunson, South - 500 psi
- (g) Marathon has commingled these fluids at the surface and has encountered no incompatibility problems.
- (h) If the downhole commingling is approved, the artificial lift system will extend the economic life of the well and thus avoid waste. The value of the produced hydrocarbons will not be altered by commingling the production.
- (i) Production from the latest GOR test shows as follows:

<u>Name</u>	<u>Oil (BOPD)</u>	<u>GAS (MCFD)</u>	<u>Water (BWPD)</u>
Tubb	0	55	0
Brunson, South	0	0	0
Total	0	55	0

Bases on swab results, the Brunson, South zone should pump 5 BOPD and 160 MCFPD giving the well a total of 5 BOPD and 215 MCFPD with a GOR of 43,000 to 1.

Allocated percentages should be:

<u>Name</u>	<u>Oil (%)</u>	<u>Gas (%)</u>
Tubb	0	26
Brunson, South	100	74

- (j) Ownership of the two pools to be commingled 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 by certified mail.