

MARATHON OIL COMPANY

April 30, 1968

P. O. Box 220 Hobbs, New Mexico

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: Application by Marathon Oil Company for Suspension of a 160 Acre Non-Standard Proration Unit and Assignment of a 120 Acre Non-Standard Proration Unit for the J. L. Muncy Well No. 2, Blinebry Gas Pool, Lea County, New Mexico

## Centlemen:

Marathon Oil Company, an Ohio Corporation, with offices at Hobbs, New Mexico, respectfully requests administrative approval of a 120 Acre non-standard gas proration unit in the Blinebry Gas Pool, Lea County, New Mexico, as an exception to Rule 5 (A) as permitted by Rule 5 (C) of the General Rules for Prorated Gas Pools of Southeastern New Mexico, Order No. R-1670.

The non-standard proration unit for which approval is sought is comprised of the SW/4 NE/4, NW/4 SE/4, and the NE/4 SW/4 of Section 24, T.22S, R.37E.

In support of this application the following facts are submitted:

- Applicant is the operator of the oil and gas rights under the S/2 NE/4, SE/4, and the E/2 SW/4 in the aforementioned Section, Township and Range.
- 2. Applicant recompleted the J. L. Muncy Well No. 2 in July and August of 1958. Permission was granted to dual complete the well in the Blinebry and Tubb Gas Pools by NMOCC Order No. DC-630 dated July 7, 1958. The present 160 Acre non-standard proration unit assigned to the well in both the Blinebry and Tubb Gas Pools is comprised of the S/2 NE/4, NW/4 SE/4, and the NE/4 SW/4 of Section 24, T.22S, R.37E. This non-standard unit was authorized by NMOCC Order No. R-1232 signed August 6, 1958.

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- 3. Applicant received permission to drill and complete the J. L. Muncy Well No. 4 (location: SE/4 NE/4, Section 24, T.22S, R.37E) as a triple Blinebry Oil/Tubb Gas/Drinkard Oil well in NMOCC'S Order No. MC-1809 dated February 11, 1968. In the course of completing the well a Drinkard Oil completion was effected from perforations at 6423' to 6933', the Tubb Gas was found to be economically unproductive and thus squeezed off, and a Blinebry Oil completion was effected from perforations at 5565' to 5679'. The Blinebry perforations are well within the vertical limits described in NMOCC Order No. R-1670, Rule No. 25 from Special Rules and Regulations for the Blinebry Gas Pool and test data qualifies the well to be classified as a Blinebry Oil Pool well as described in Rule 27-A and 27-B.
- 4. In order to avoid acreage dedication for the Muncy No. 2 well in both the Blinebry Oil and the Blinebry Gas Pools in the SE/4 NE/4 of Section 24, T.22S, R.37E and in order to comply with Rule 29 Special Rules for the Blinebry Gas Pool, Order No. R-1670, applicant respectfully requests that the SW/4 NE/4, NW/4 SE/4, and the NE/4 SW/4 of Section 24, T.22S, R.37E being 120 Acres more or less, be designated as a non-standard proration unit in the Blinebry Gas Pool.
- 5. Creation of the above proposed 120-Acre non-standard proration unit is in the interest of conservation and will protect correlative rights.
- 6. A plat showing the said Marathon Oil Company's J. L. Muncy Lease, the wells thereon, the acreage to be dedicated to the No. 2 well and the offset ownership is attached hereto.
- 7. A copy of this application with plat attached has been mailed by registered mail to each of the following offset operators.

Phillips Petroleum Company Phillips Building Odessa, Texas 79760

Gulf Oil Corporation P. O. Box 670 Hobbs, New Mexico 88240 Attn: Mr. C. D. Borland

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> Sunset International Petr. Corp. Suite 308 201 Wall Building Midland, Texas 79701

E: A. Hanson P. O. Box 1515 Roswell, New Mexico 88201

Respectfully submitted,

MARATHON OIL COMPANY

By: C. S. Hilton, Jr.

Area Superintendent

LCM:bje attach.

cc: J. R. Murray R. M. Young Offset Operators L. H. Shearer B. G. Howard

I hereby certify that the information contained in this application and attached plat is true and correct to the best of my knowledge and belief.

Kilta C.A C. S. Hilton, Jr.

STATE OF NEW MEXICO )

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COUNTY OF LEA

Sworn to and subscribed before me, a notary public in and for said county and state, this 30th day of April, 1968.

Commission Expires



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