



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

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

DHC-1047

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

Marathon Oil Co Edith Butler #2-J 13-22-37
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



**Marathon
Oil Company**

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

September 9, 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
EDITH BUTLER "B" WELL NO. 2
UNIT J, 1980' FSL & 2310' FEL
SECTION 13, T-22-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 a Blinebry-Drinkard dual well. The Blinebry is being plunger-lifted at 2 BOPD and 160 MCFD with the Drinkard unable to flow or be plunger-lifted. It is proposed to remove the dual and single packers in the wellbore and rod pump both zones. The downhole commingle will allow for the production of the Blinebry to a lower abandonment pressure and return the Drinkard to a producing status thus 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,

A handwritten signature in cursive script, appearing to read 'T.A. Deines'.

T.A. Deines
Northwest Operations
Production Superintendent

RDG:TAD/94103/kc

Attachments

REQUEST FOR EXCEPTION TO RULE 303-A

EDITH BUTLER "B" WELL NO. 2 DRINKARD FIELD

- (A) Marathon Oil Company
PO Box 2409
Hobbs, NM 88240
- (B) Edith Butler "B" Well No. 2
Unit J, 1980' FSL and 2310' FEL
Section 13, T-22-S, R-37-E
Lea County, New Mexico
Commingling 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 each pool will be based upon the current and historical production declines along with the latest GOR tests.
- (E) Production curves for both the Blinebry and Drinkard are attached.
- (F) Estimated bottomhole pressure for each zone:
- | | |
|----------|----------|
| Blinebry | 300 psia |
| Drinkard | 700 psia |
- The well will be rod pumped to maintain a producing bottom hole pressure of 100 psia.
- (G) Marathon is commingling the fluids at the surface and has not encountered operational problems.
- (H) If the downhole commingling is approved, additional reserves will be recovered from the Drinkard while maximizing recoveries from the Blinebry.

(I) Production from the latest GOF test as follows:

<u>FORMATION</u>	<u>OIL (BPD)</u>	<u>GAS (MCFD)</u>	<u>WATER (BPD)</u>
Blinebry	2	160	1
Drinkard/Abo*	0	0	0
TOTAL	<u>2</u>	<u>160</u>	<u>1</u>

* Shut In

Expected Production After Downhole Commingling:

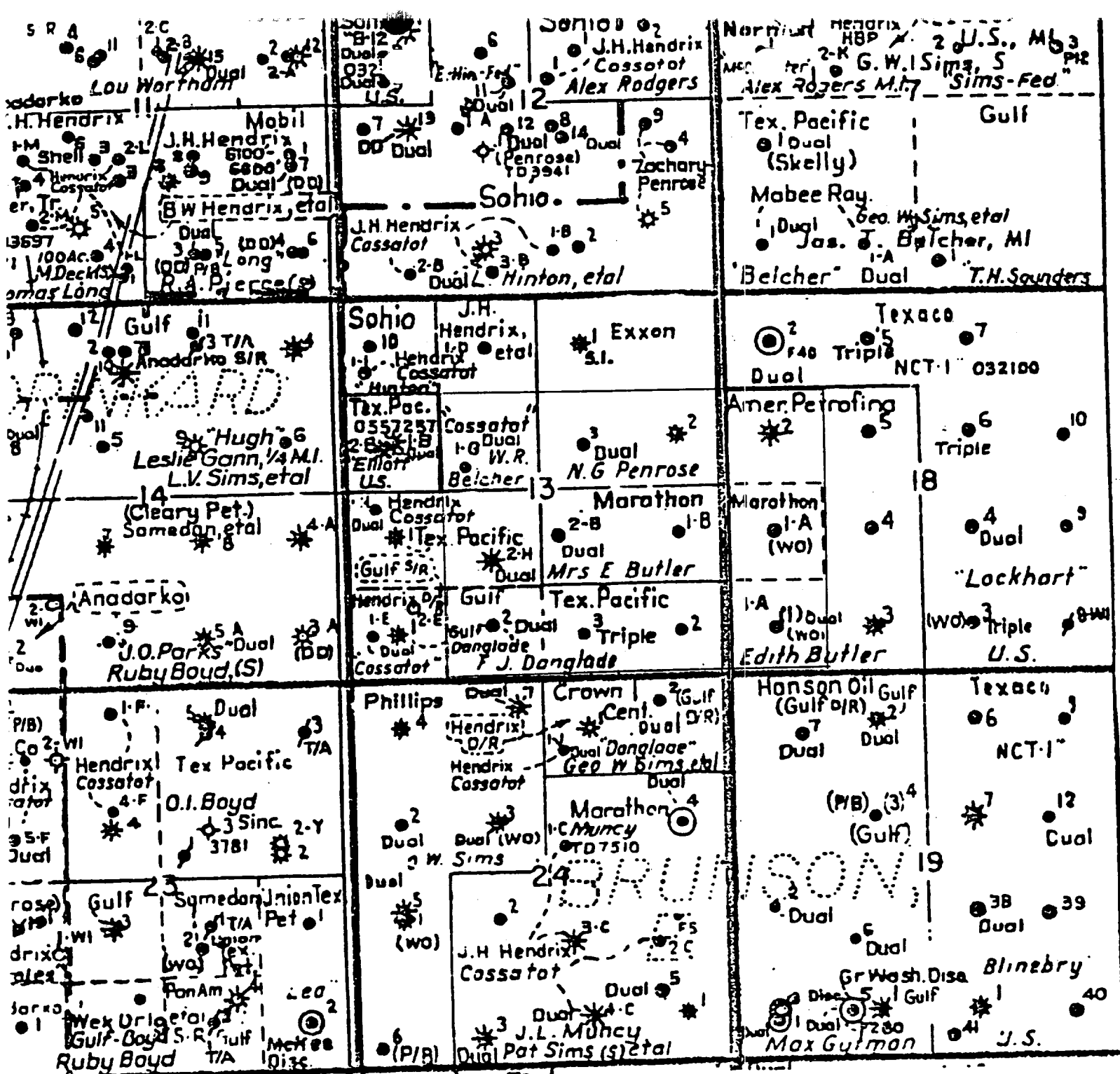
<u>FORMATION</u>	<u>OIL (BPD)</u>	<u>GAS (MCFD)</u>	<u>WATER (BPD)</u>
Blinebry	3	220	2
Drinkard/Abo	5	100	5
TOTAL	<u>8</u>	<u>320</u>	<u>7</u>

Allocated Percentages should be:

<u>FORMATION</u>	<u>OIL (%)</u>	<u>GAS (%)</u>	<u>WATER (%)</u>
Blinebry	37.5	68.8	28.6
Drinkard/Abo	62.5	31.2	71.4
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>100</u>

(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.



R-37E

R-38E

MARATHON OIL COMPANY
EDITH BUTLER "B" LEASE

LAND PLAT

DRINKARD AREA
LEA COUNTY, NEW MEXICO

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-25074		² Pool Code		³ Pool Name Blinebry	
⁴ Property Code		⁵ Property Name Edith Butler "B"			⁶ Well Number 2
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3320' GR

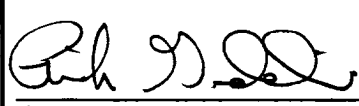
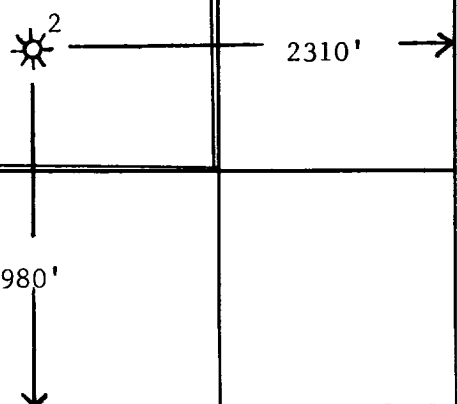
¹⁰ Surface Location

UL or lot no. J	Section 13	Township 22S	Range 37E	Lot Idn --	Feet from the 1980	North/South line South	Feet from the 2310	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code		¹⁵ Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				13	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature <u>Rick D. Gaddis</u> Printed Name Petroleum Engineer Title <u>August 25, 1994</u> Date
					18 SURVEYOR CERTIFICATION <i>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 belief.</i> Date of Survey Signature and Seal of Professional Surveyer: <u>See Original C-102</u> Certificate Number

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION!

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.
17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-25074		² Pool Code		³ Pool Name Drinkard	
⁴ Property Code		⁵ Property Name Edith Butler "B"			⁶ Well Number 2
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3320' GR

¹⁰ Surface Location

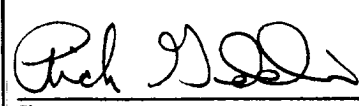
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	13	22S	37E	--	1980	South	2310	East	Lea

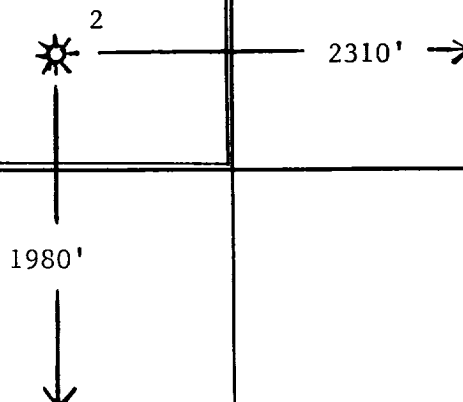
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			13	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p></p> <p>Signature Rick D. Gaddis Printed Name Petroleum Engineer Title August 25, 1994 Date</p>	
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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 belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyer: See Original C-102 Certificate Number</p>



New Mexico Oil Conservation Division
C-102 Instructions

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5. The property name (well name) for this (proposed) completion
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9. The ground level elevation of this well
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18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Drinkard		County Lea												
Address PO Box 552, Midland, TX 79702		TYPE OF TEST - (X)		SCHEDULED <input type="checkbox"/> COMPLETION <input type="checkbox"/> SPECIAL <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO			
		U	S	T						R	WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS MCF.	CU FT/BBL	
Edith Butler "B"	2	J	13	22S	37E	N/A	SI	---	40	---	24	5	40	5	100	20,000

NOTE: For Information Only
Zone is dead.

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

Rick D. Gaddis, Petroleum Engineer

Printed name and title

August 25, 1994

Date

{505} 393-7106

Telephone No.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Submit 2 copies to Appropriate
strict Office.

STRICT I
O. Box 1980, Hobbs, NM 88240

STRICT II
O. Drawer DD, Artesia, NM 88210

STRICT III
100 Rio Brazos Rd., Aztec, NM 87410

GAS - OIL RATIO TEST

Operator	Marathon Oil Company	Pool	Blinebry	County	Lea									
Address	PO Box 552 Midland, TX 79702	TYPE OF TEST - (X)	Scheduled <input type="checkbox"/>	Completion <input type="checkbox"/>	Special <input checked="" type="checkbox"/>									
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CUFT/MCF	
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.
Edith Butler "B"	2	J	13	22S	37E	8/18/94	P	--	24	1	40	2	160	80,000
P = Plunger Lift														

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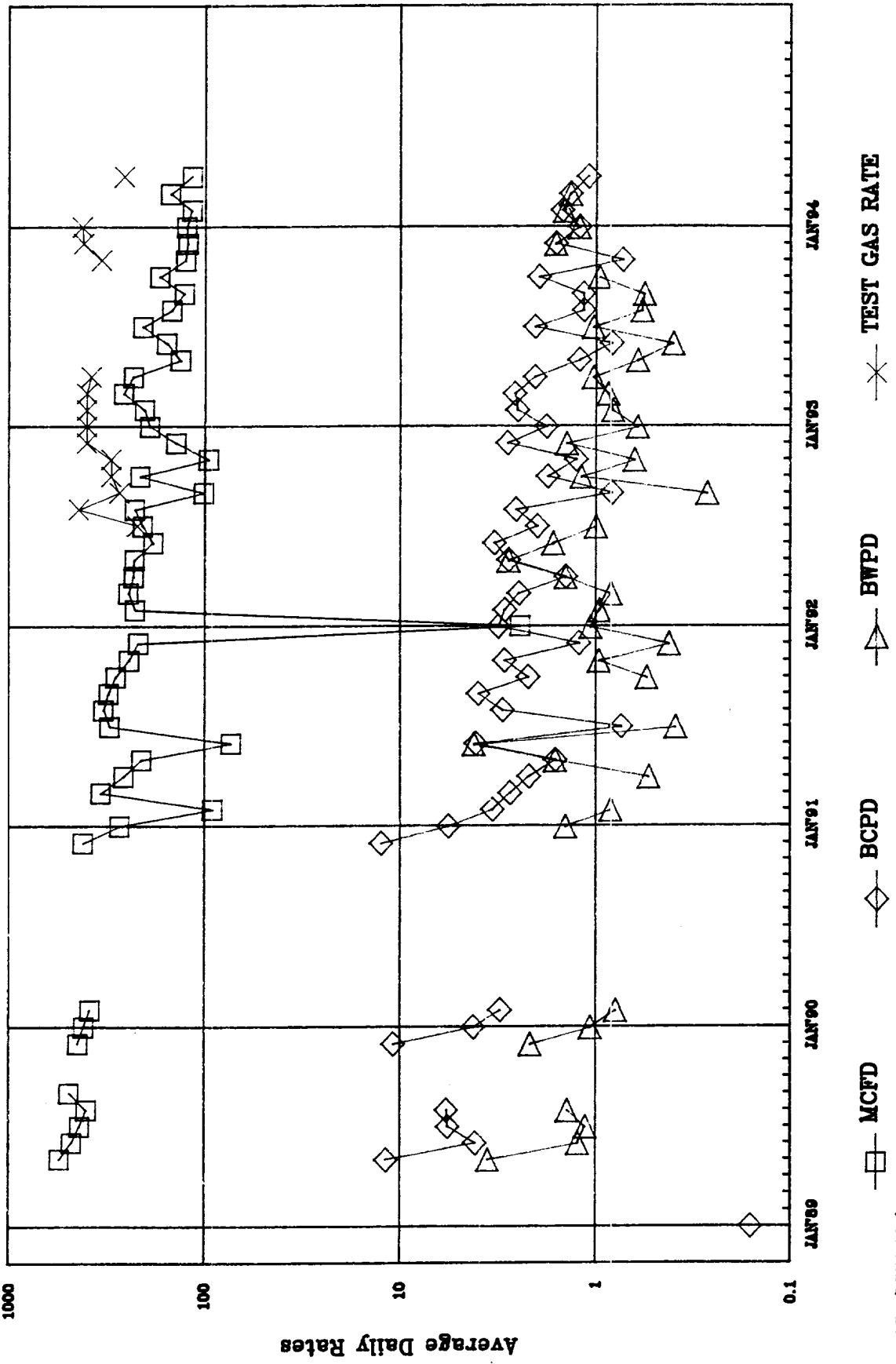
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Rick D. Gaddis
Signature
Rick D. Gaddis Petroleum Engineer
Printed name and title
August 25, 1994 (505) 393-7106
Date Telephone No.

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

EDITH BUTLER "B" WELL No. 2

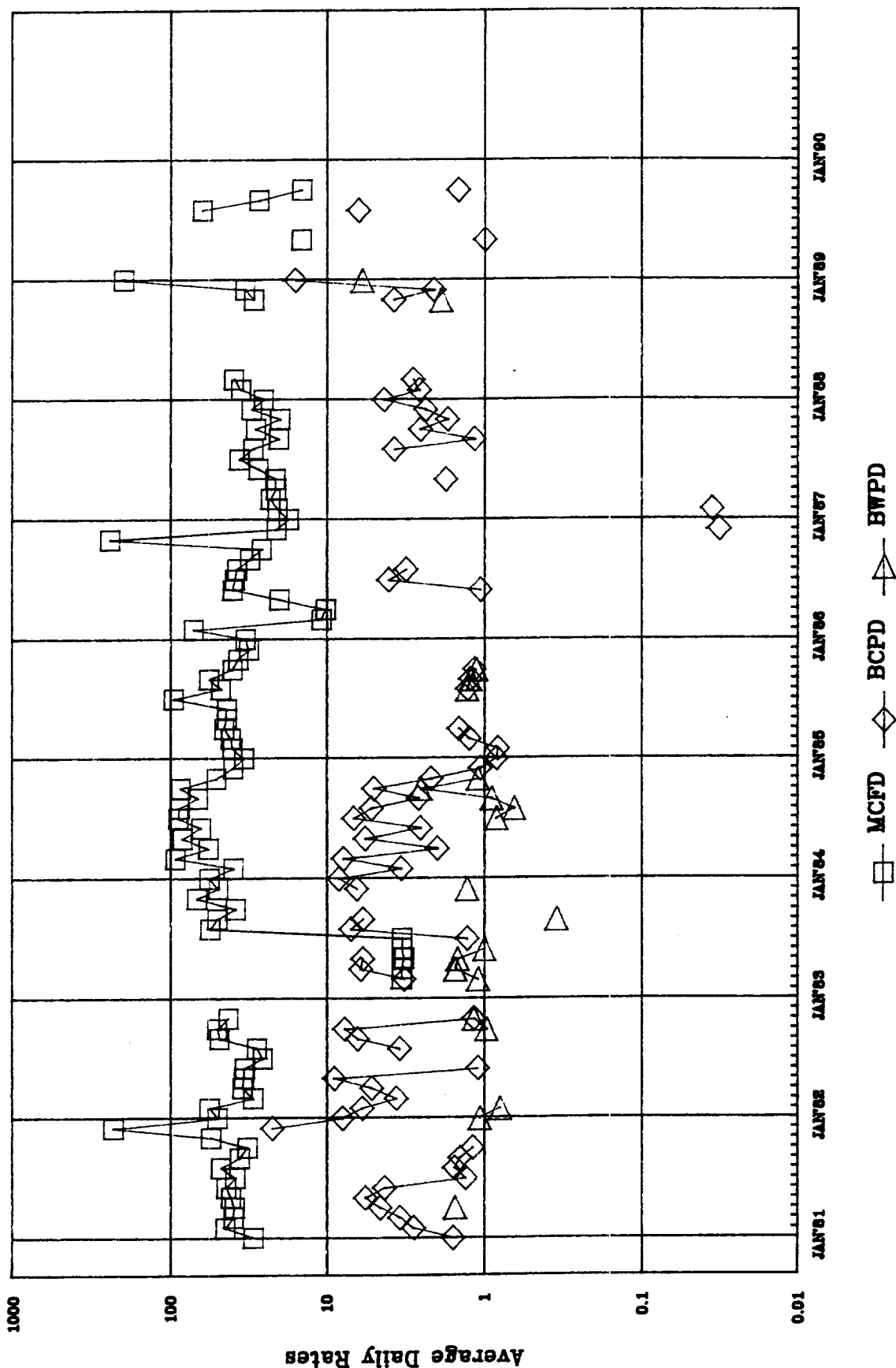
Average Daily Blinebry Production Rates



EDG/PBUTLER/224

EDITH BUTLER "B" WELL No. 2

Average Daily Drinkard Production Rates



OFFSET OPERATORS

EDITH BUTLER "B" LEASE SECTION 13, T-22-S, R-37-E LEA COUNTY, NEW MEXICO

SECTION 13, T-22-S, R-37-E

Chevron U.S.A. Incorporated
15 Smith Road
PO Box 1150
Midland, TX 79702-1150

Exxon Company USA
3300 N. "A" Street
PO Box 1600
Midland, TX 79702-1600

John H. Hendrix Corp.
223 W. Wall, Suite 525
Midland, TX 79701-4519

SECTION 18, T-22-S, R-38-E

Fina Oil & Chemical Co.
6 Desta Drive Suite 4400
PO Box 2990
Midland, TX 79702-2990

September 9, 1994

Offset Operators
Edith Butler "B" Well No. 2
(mailing list attached)

RE: REQUEST FOR EXCEPTION TO RULE 303-A
DOWNHOLE COMMINGLING
MARATHON OIL COMPANY
EDITH BUTLER "B" WELL NO. 2
UNIT J, 1980' FSL & 2310' FEL
SECTION 13, T-22-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/94106/kc
Attachments

Agreed and accepted this _____ day of _____,
1994 by _____, as representative of
_____.