



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

6/13/01

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

RE: Proposed:

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

Gentlemen:

I have examined the application for the:
Marathon Oil Co Lou Warthan # 5-C, 11-225-37e 3D-025-10214
Operator Lou Warthan # 19-D, 11-225-37e 3D-025-29469
Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams
Chris Williams
Supervisor, District 1



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

June 8, 2001

**RE: Application to Simultaneously Dedicate
Blinebry Oil & Gas Pool Production**

**RE: Request for Exception to Rule 104
Non-Standard Gas Proration Unit for the Blinebry Oil & Gas Pool**

Lou Worthan Well No. 5
Unit Letter 'C', 660' FNL & 1980' FWL
Section 11, T-22-S, R-37-E
Lea County, New Mexico

Lou Worthan Well No. 19
Unit Letter 'D', 680' FNL & 880' FWL
Section 11, T-22-S, R-37-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 Blinebry Oil & Gas Pool Production to a 80 acre non-standard gas proration unit. This gas proration unit will be comprised of the N/2 of the NW/4 in Section 11, T-22-S, R-37-E in Lea County, New Mexico.

Currently Administrative Order SD-99-5 apply to Lou Worthan Well No. 5, 9, 19 in a 160 acre gas proration unit. A recent workover/recompletion on Lou Worthan Well No. 9 has made it a Blinebry oil well. The wells on this lease to be simultaneously dedicate to this non-standard gas proration unit for the Blinebry Oil & Gas Pool Production are:

| | |
|-------------------------|----------------------|
| Lou Worthan Well No. 5 | API No. 30-025-10214 |
| Lou Worthan Well No. 19 | API No. 30-025-29469 |

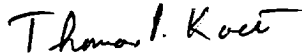
This lease has 320 acres with a Blinebry Pool oil wells consisting of :

| | | |
|------------------------|----------------------|---|
| Lou Worthan Well No. 4 | API No. 30-025-10213 | 40 acres in the SW portion of the NE/4 |
| Lou Worthan Well No. 9 | API No. 30-025-10218 | 80 acres in the S/2 portion of the NW/4 |

The other 120 acres in the NE/4 of Section 11, is simultaneously dedicated to another Blinebry Gas Proration Unit Pool which includes Lou Worthan Well No. 12, API No. 30-025-10221 and Lou Worthan Well No. 21, API No. 30-025-33426.

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,



Thomas P. Kacir
Production Engineer

OFFSET OPERATORS
Lease NM - 377 -
Lou Worthan
N/2 of NW/4 in Section 11,
T-22-S, R-37-E, N.M.P.M.
Lea County, New Mexico
Drinkard Field

T-22-S, R-37-E

Section 2:

Exxon Corporation
P.O. Box 4697
Houston, Texas 77210-4697

Section 3:

John H. Hendrix Corp.
110 N. Marienfeld St.
Midland, Texas 79701

Section 10:

Chevron USA Inc.
Attn: Ray Vaden
P.O. Box 1150
Midland, Texas 79702

Section 11:

Apache Corp.
2000 Post Oak Blvd. #100
Houston, Texas 77056-4400

John H. Hendrix Corp.

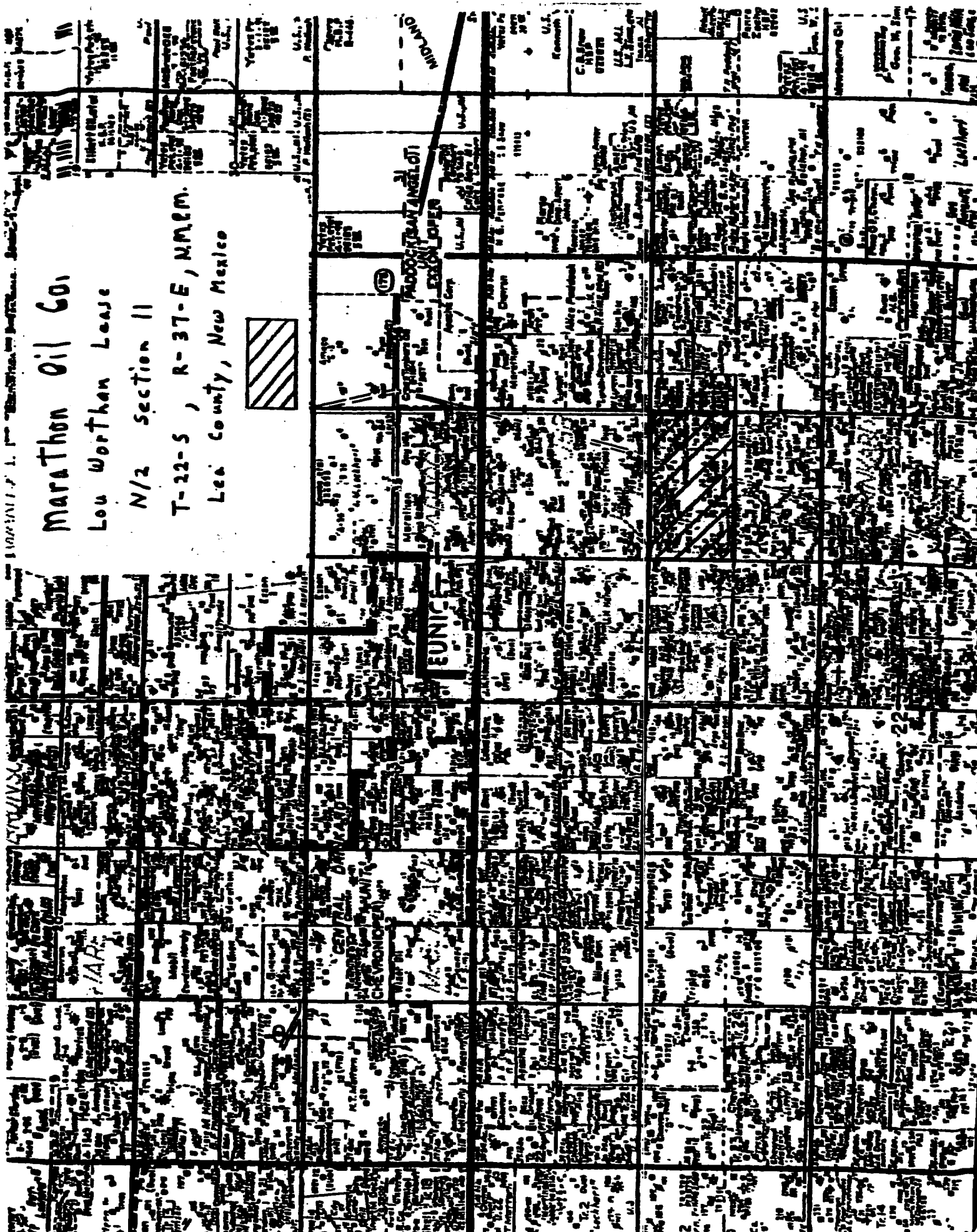
Marathon Oil Co.

Lou Worthen Lease

N/2 Section 11

T-22-S, R-37-E, NMEM.

Lee County, New Mexico



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-116
Revised March 17, 1999

Submit 2 copies
To Appropriate
District Office

GAS - OIL RATIO TEST

| Operator Marathon Oil Company | | Pool Blinberry Oil & Gas | | County Lea | | | | | | | | | | |
|--|----------|-----------------------------|----|---------------|----|--------------|-------|------------|------------------|--------------------------------|-------------------|-------------|-----------------|---|
| Address PO Box 2490 Hobbs, NM 88240 | | TYPE OF TEST - (X) | | | | | | | | | | | | |
| LEASE NAME | WELL NO. | LOCATION | | | | DATE OF TEST | STAGE | TBG. PRESS | DAILY ALLOW-ABLE | SCHEDULED LENGTH OF TEST HOURS | COMPLETION | | | Special <input checked="" type="checkbox"/> |
| | | U | S | T | R | | | | | | PROD. DURING TEST | WATER BBLs. | GRAV. OIL BBLs. | |
| Lou Worthan API 30-025-10214 | 5 | C | 11 | 22 | 37 | 5/18/01 | P | 300 | | 24 | 3 | | | 70,200 |
| Lou Worthan API 30-025-29469 | 19 | D | 11 | 22 | 37 | 5/17/01 | P | 0 | | 24 | 0 | 6 | 417 | 69,500 |

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

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

Printed Name and Title

Prod. Engineer

June 8, 2001

Date

393-7106

Telephone No.

Houston Division
Production Operations, United States



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

June 8, 2001

Apache Corp.
2000 Post Oak Blvd. #100
Houston, Texas 77056-4400

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Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to simultaneously dedicate Blinbry Oil & Gas Pool Production to a 80 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 and non-standard gas proration unit, 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, appearing to read 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 2001

by _____, as representative of

Houston Division
Production Operations, United States



**Marathon
Oil Company**

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

June 8, 2001

Chevron USA Inc.
Attn: Ray Vaden
P.O. Box 1150
Midland, Texas 79702

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110 N. Marienfeld St.
Midland, Texas 79701

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