

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
B NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Marathon Oil Company

3a. Address
P.O. Box 552 Midland, TX 79702

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SURFACE: UL "J", 1360' FSL & 2200' FEL
BOTTOM HOLE: UL "N", 695' FSL & 1711' FWL
SECTION 26, T-21-S, R-23-E

3b. Phone No. (include area code)
806-351-1417

5. Lease Serial No.
NM 076524

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Indian Basin C #3

9. API Well No.
30-015-31112

10. Field and Pool, or Exploratory Area
INDIAN BASIN UPPER PENN GAS
POOL

11. County or Parish, State
EDDY NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Commingling</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Off Lease Sales &</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | <u>Alt. Meas. Method</u> |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

As required by 43 CFR 3162.7-2 and Onshore Oil and Gas Order No. 4 Marathon Oil Company is requesting approval of off lease measurement, storage & sales, alternate measurement method, and commingling of liquid hydrocarbons. Also as required by CFR 3162.7-3 and Onshore Oil and Gas Order No. 5, we are requesting approval of off-lease measurement, storage & sales and commingling of gas. Both liquid hydrocarbons, and gas are measured at a facility located on the lease. They are then transported to the Marathon Oil Company Gas Plant, located at SW/NE, Section 23, T21S, R23E, in Eddy Co., NM by separate pipelines. The gas production is processed and the gas & NGLs are measured and sold at the tailgate of the plant. The liquid hydrocarbon production is sent to the storage tanks, measured and sold through a LACT meter. Turbine meters or metering separators will be used for the Alternate Method of Metering for liquid hydrocarbons per prior approvals.

A form is attached showing the leases and wells addressed by this request. Also attached are a flow diagram of the satellite facility, a map showing the flow of production from the wellhead to the satellite facility, and a map of the general area.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Ginny Larke

Title
Engineer Technician
Date 9/22/00

APPROVED
PETER W. CHESTER
OCT 4 2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING
OFF LEASE MEASUREMENT, STORAGE AND ALTERNATIVE MEASUREMENT
APPROVAL

To: Bureau of Land Management
P.O. Box 1778
Carlsbad, New Mexico 88220-1778

Marathon Oil Company is requesting approval for Surface Commingling, Off Lease Storage & Measurement and Alternative Measurement of hydrocarbon production from the following formation and well(s) on Federal Lease(s) listed below:

INDIAN BASIN C; FEDERAL LEASE NO. NM 070522A
FORMATION: INDIAN BASIN UPPER PENN GAS POOL
LOCATION: UL "J", SECTION 26, T-21-S, R-23-E

<u>Well No.</u>	<u>API No.</u>	<u>BOPD</u>	<u>MCFD</u>	<u>API °</u>
3	30-015-31112	1	836	48.7

This production will be commingled with the already commingled hydrocarbon production, (see Commingling Order CTB-482), from the Indian Basin Upper Penn Gas Pool from the following wells, located in Sections 26 and 22, Township 21 South, Range 23 East of Eddy County, New Mexico:

<u>Lease Name</u>	<u>Location</u>	<u>BOPD</u>	<u>MCFD</u>	<u>API°</u>
Indian Basin "C" #1	UL "F", Sec. 26	1	597	60
Indian Basin "C" #2	UL "M", Sec. 26	1	425	60
Indian Basin "A" #1	UL "J", Sec. 22	7	1717	60

The proposed operation is described in detail on the attached diagrams. A map is enclosed showing the location of all leases and wells that will contribute production to the commingling/common storage facility. All unitized/communitized areas and producing zones/pools are also clearly illustrated. Schematic diagrams are also attached which clearly identify all equipment that will be utilized.

The Storage and Measurement facility is located at **Unit Letter "G", Section 23, T-21-S, R-23-E, Eddy County, New Mexico.** The satellite separation and measurement facility is located at UL "F", Sec. 26, T-21-S, R-23-E. The BLM will be notified of any change in facility location. Gas is measured using allocation meters. It is then transported to the Marathon Oil Company Indian Basin Gas Plant (SW/NE, Section 23, T21S, R23E) by pipeline. After processing the gas and NGLs are metered at the tail-gate of the plant and sold. Liquid hydrocarbon production and water will be measured using turbine meters per prior approvals. These meters are proved on a regular schedule.

Oil is then transported to the Indian Basin Gas Plant and sold through a LACT UNIT. The water is sent to a storage tank on the satellite location and will be injected into various water disposal wells. All production will be allocated to the Indian Basin "C" wells based on monthly well tests and the previously approved methods of lease allocation. The Indian Basin "A" #1 is measured separately through it's own separator.

The working interest owners were notified of the original commingling proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. The proposed commingling is necessary for continued operation of the above referenced Federal Lease.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by lease instrument and, we will submit within 30 days an application for right-of-way to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature

A handwritten signature in cursive script that reads "Ginny Larke".

Name: Ginny Larke

Title: Engineer Technician

Date: September 22, 2000

Mid-Continent Region
Production United States



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

September 22, 2000

New Mexico Oil Conservation Division
Attn: Mark Ashley
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Commingling Order CTB-482

Dear Mr. Ashley:

Please amend the above referenced Commingling Order to include the Indian Basin "C" Well No. 3. This is a new well with the surface location at UL "J", Section 26, T-21-S, R-23-E. The well produces from the Indian Basin Upper Penn formation, as do the other wells measured at this satellite facility. A copy of the application being sent to the Bureau of Land Management is attached. It contains a description of the process, a flow diagram of the satellite facility, a map showing locations and general flow from the wellhead, and a map of the general area. If you have any questions, or if you need further information, please contact me at 1-800-351-1417, ext. 8432. Thank you for your prompt attention to this request.

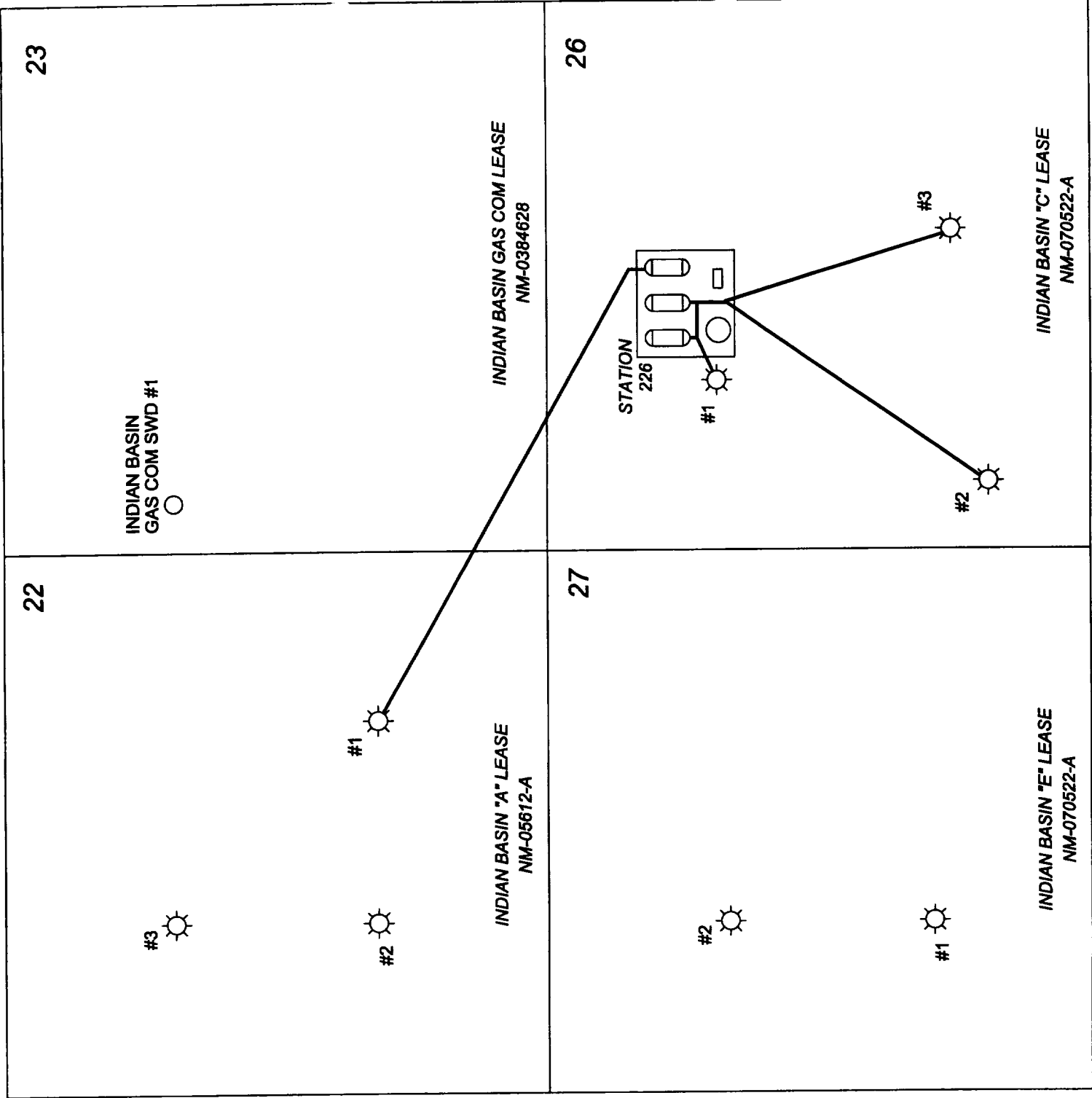
Sincerely,

A handwritten signature in cursive script that reads 'Ginny Larke'.

Ginny Larke
Engineer Technician
Marathon Oil Company

[illegible]

STATION 226
 UL "F", SECTION 26,
 T-21-S, R-23-E
 EDDY COUNTY, NM

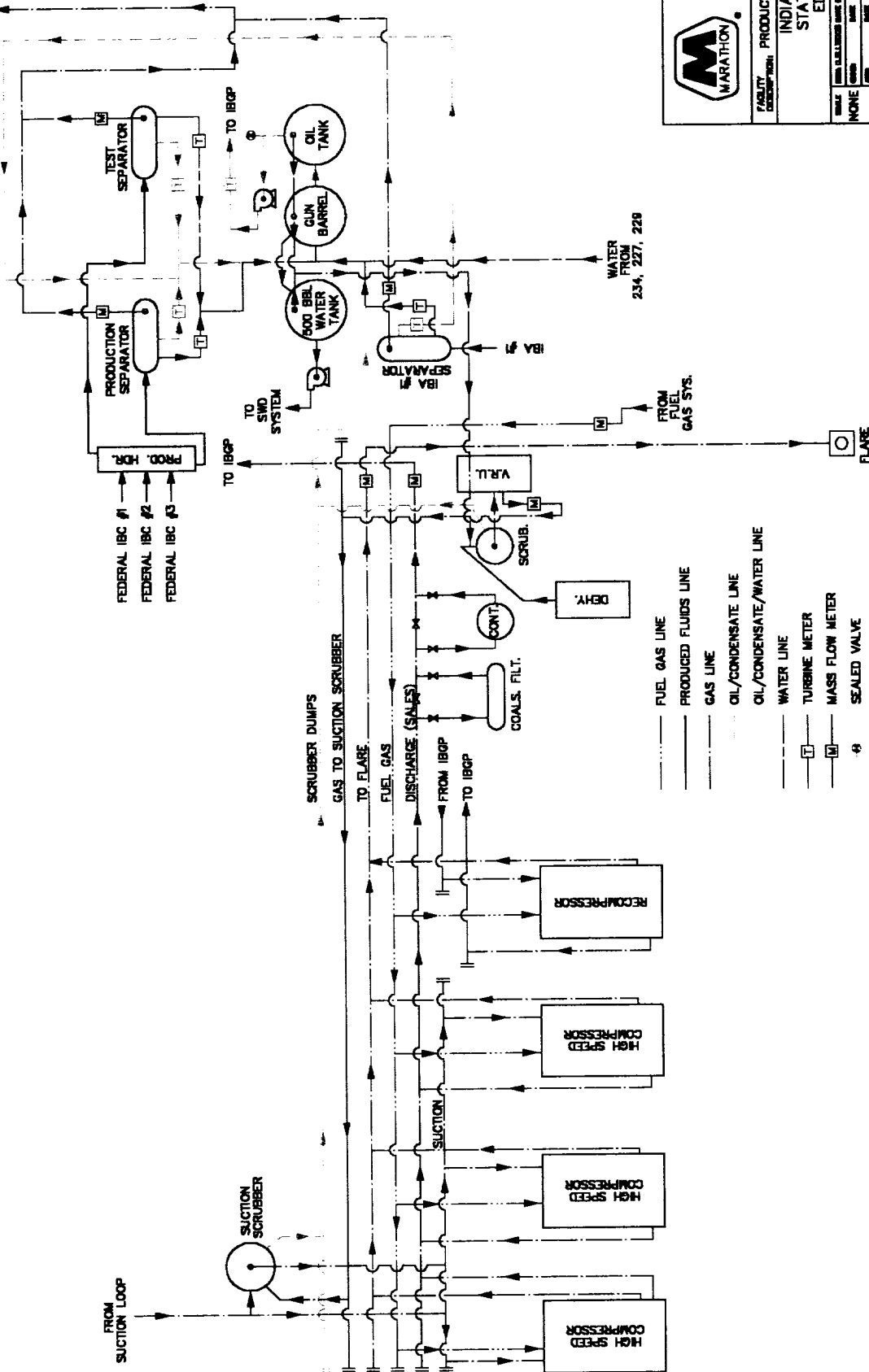


THE FACILITY IS SUBJECT
TO THE SITE SECURITY PLAN FOR
THE INDIAN BASIN FIELD. THE
PLAN IS LOCATED AT:
MARATHON OIL CO.
328 MARATHON FLD.
LAKEWOOD, NM 88625

MARATHON OIL COMPANY
SERVING WELLS: FEDERAL INDIAN BASIN "C" #s 1, 2, 3, INDIAN BASIN "A" #1
STATION NO. 226 (SIB)
1850' FNL & 1850' FNL
UT "T", SEC. 20, T-21-S, R-23-E
NM 070522-A
EDDY CO. N.M.

TO SUCTION LOOP

FROM
SUCTION LOOP



Marathon
Oil Company

FACILITY		PRODUCTION FACILITY		JOB NUMBER	
DESCRIPTION		STATION 226 (SIB)		DWG	
INDIAN BASIN FIELD					
STATION 226 (SIB)					
EDDY CO., NM					
TABLE	AREA / ELEMENTS ARE IN / IN		FEET	INCHES	REV
1 NONE	AREA	DATE	IB	1	C
	CODE	DATE			
	CODE	DATE			
	CODE	DATE			