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|--------------------|----------------------|-----------------|-----------------|--------------------|--------------------------|
| DATE IN 9/29/03 | SUSPENSE 10/19/03 | ENGINEER WUJ | LOGGED IN LR | TYPE PLC OLS | APP NO. PLR0327436124 |
|--------------------|----------------------|-----------------|-----------------|--------------------|--------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

K.W. Tatarzyn [Signature] Permian Asset Mgr. 9/23/03
 Print or Type Name Signature Title Date

 e-mail Address



P.O. Box 552
Midland, TX 79702-0552
Telephone 432/682-1626

RECEIVED

September 23, 2003

SEP 29 2003

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OIL CONSERVATION
DIVISION

Re: Amendment of Commingling Orders PLC-124, PLC-144, PLC-175, CTB-482, and CTB-484

State and Federal Leases and Communitization Agreements Affected: E-10169, E-10170, E-7906, NM-1832, NM-0251099-A, NM-34446, NM-384623, NM-384625, NM-384628, NM-4827-B, NM-51107, NM-05551, NM-05551-A, NM-05607, NM-05608, NM-05612-A, NM-06953, NM-70522-A, NM-81677, Unit Agreement 891008508-O and Com Agreements NM SW-242, SW-342, SW-280 and NM 91035, located in Townships 20, 20.5, 21 and 22 South, Ranges 23 and 24 East, Eddy County, New Mexico

Dear Sir:

Marathon Oil Company is proposing to amend the Indian Basin Field Commingling, Off-Lease Storage, Measurement, and Sales agreement in order to increase gas and oil production by reducing system operating pressures. This amendment will supersede Oil Conservation Division Commingling Orders PLC-124, 2nd Amendment, PLC-144, 1st Amendment, PLC-175, CTB-482, 1st Amendment, and CTB-484. Currently separator pressures must be kept high to push oil into the Indian Basin Gas Plant liquid gathering system. This work will allow separator pressures to be reduced by up to 50 psi immediately at some sites and will allow for additional pressure reduction in the future. As reservoir pressure at Indian Basin continues to decline, the ability to reduce separator pressure becomes critical to keeping production rates higher for a longer period of time. While the main value of this work is increased gas and oil production, it is likely that a higher price will be received for the condensate by commingling it with other oil at the MOC Central Facility rather than sending it to the Gas Plant for sale.

Marathon proposes to change only the point of sale for some of the liquid hydrocarbon production covered by the above referenced Commingling Orders. These changes will not affect the measurement methods already agreed upon in these documents. A copy of the application is attached and explains the proposed changes in detail.

If you have any questions, please call me at (915) 687-8321. If you will call me, I will e-mail you the spreadsheet files with the list of interest owners for each lease and the list of wells with their API numbers, Lease numbers, Pools, etc.

Sincerely,

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

Ginny Larke
Engineer Technician

Attachments

District I

1625 N. French Drive, Hobbs, NM 88240

District II

1301 W. Grand Ave, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised June 10, 2003

OIL CONSERVATION DIVISION1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Marathon Oil Company

OPERATOR ADDRESS: P O Box 552, Midland, TX 79702-0552

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ X Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)LEASE TYPE: ☐ Fee ☒ X State ☒ X FederalIs this an Amendment to existing Order? ☒ X Yes ☐ No If "Yes", please include the appropriate Order No. PLC 124, 144 & 175;
CTB482, 484Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ X Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

| (1) Pool Names and Codes | Gravities / BTU of Non-Commingled Production | Calculated Gravities / BTU of Commingled Production | | Calculated Value of Commingled Production | Volumes |
|----------------------------------|--|---|--|---|---------|
| Indian Basin U. P. Gas 79040 | 55.1 | 50 | | | 287 |
| S. Dagger Draw U. P. Assoc 15475 | 45.5 | | | | 1259 |
| Indian Basin U. P. Assoc. 33685 | 61.8 | | | | 83 |
| | | | | | |

(2) Are any wells producing at top allowables? ☐ Yes ☒ X No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ X Yes ☐ No.(4) Measurement type: ☐ Metering ☒ X Other (Specify) (See Attachments)(5) Will commingling decrease the value of production? ☐ Yes ☒ X No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No(4) Measurement type: ☐ Metering ☐ Other (Specify)**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

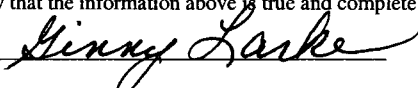
(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE:



TITLE: Engineer Technician

DATE: September 24, 2003

TYPE OR PRINT NAME Ginny Larke

TELEPHONE NO.: 800-351-1417

AMENDMENT TO INDIAN BASIN FIELD COMMINGLING AGREEMENT

September 23, 2003

Marathon Oil Company is proposing to amend the Indian Basin Field Commingling, Off-Lease Storage, Measurement, and Sales agreement superseding Oil Conservation Division Commingling Orders PLC-124, 2nd Amendment, PLC-144, 1st Amendment, PLC-175, CTB-482, 1st Amendment, and CTB- 484. In order to increase production by allowing lower operating pressures and to increase the economic producing life of all the wells covered by this Commingling agreement by reducing operating costs, Marathon proposes to change the point of sale for some of the liquid hydrocarbon production covered by the above mentioned Commingling Orders. A brief description of the proposed changes is shown below.

In addition to the wells already being served by the MOC Central Facility (PLC-124), Marathon Oil Company proposes to take the liquid hydrocarbon and water production from the Station 210 Satellite Facility, the Station 215 Satellite Facility, the Station 226 (SIB) Satellite Facility, the Station 235 Satellite Facility, and the Station 311 Satellite Facility, **AFTER MEASUREMENT**, and recombine them and send them, via pipeline, to the gun barrel tank at the MOC Central Facility. Through settlement, the liquid hydrocarbon production will separate from the water and will be floated over into the oil storage tanks at the MOC Central Battery. It will then be sold through the LACT Units. The water will be drained into the water storage tanks and will be sent to the Indian Basin SWD system for disposal. These changes will not affect the measurement methods already agreed upon in the above mentioned commingling orders, they only affect the Off-Lease Storage and Sales portions of these orders. (See attached map, Exhibit 1, and attached spreadsheet, Exhibit 2, for Well Names, API Numbers, Lease Names, Lease Numbers, Communitization Agreement Numbers, Pools/Reservoirs, and Property Codes included in this application).

A more detailed description of the proposed changes follows:

MOC CENTRAL FACILITY

The production from the following wells is presently commingled at the MOC Central Facility, located in UL "D", Section 1, T-21-S, R-23-E (Oil Conservation Division Commingling Order PLC-124 2nd amendment):

| <u>Well Name</u> | <u>BOPD</u> | <u>MCFD</u> |
|--------------------------|-------------|-------------|
| Bone Flats Federal 12 #1 | 0 | 24 |
| Bone Flats Federal 12 #2 | 0 | 3 |
| Bone Flats Federal 12 #3 | 1 | 9 |
| Bone Flats Federal 12 #4 | 6 | 145 |
| Bone Flats Federal 12 #5 | 1 | 33 |
| Bone Flats Federal 12 #6 | 8 | 28 |
| Comanche Federal "3" #1 | 0 | 862 |
| Comanche Federal "3" #2 | 0 | 285 |
| MOC Federal #1 | 0 | 125 |
| MOC Federal #2 | 0 | 161 |
| MOC Federal #3 | 5 | 242 |

| <u>Well Name</u> | <u>BOPD</u> | <u>MCFD</u> |
|--------------------------------------|-------------|-------------|
| MOC Federal #4 | 3 | 81 |
| MOC Federal #5 | 0 | 153 |
| MOC Federal #6 | 2 | 450 |
| MOC Federal #7 | 1 | 26 |
| MOC Federal #8 (Morrow) | 0 | 115 |
| Stinking Draw #1 | 0 | 7 |
| Stinking Draw #2 | 0 | 56 |
| Stinking Draw #3 | 0 | 10 |
| Stinking Draw #4 | 0 | 11 |
| North Indian Basin Unit Gas Com #3 | 0 | 1495 |
| North Indian Basin Unit #7 | 1 | 61 |
| North Indian Basin Unit #10 | 0 | 17 |
| North Indian Basin Unit #11 | 0 | 2 |
| North Indian Basin Unit #12 | 2 | 148 |
| North Indian Basin Unit #13 | 5 | 256 |
| North Indian Basin Unit #14 | 1 | 161 |
| North Indian Basin Unit #15 | 2 | 299 |
| North Indian Basin Unit #16 | 1 | 270 |
| North Indian Basin Unit #17 | 0 | 201 |
| North Indian Basin Unit #18 | 1 | 158 |
| North Indian Basin Unit #19 | 5 | 123 |
| North Indian Basin Unit #20 | 3 | 118 |
| North Indian Basin Unit #21 (Morrow) | 0 | 304 |
| North Indian Basin Unit #22 | 1 | 81 |
| North Indian Basin Unit #23 | 2 | 43 |
| North Indian Basin Unit #24 | 0 | 483 |
| North Indian Basin Unit #25 | 0 | 43 |
| North Indian Basin Unit #26 | 2 | 76 |
| North Indian Basin Unit #27 | 1 | 0 |
| North Indian Basin Unit #30 | 0 | 95 |

Marathon proposes to add the liquid hydrocarbon and water production from the following wells to the commingled production at the MOC Central Facility:

| <u>Well Name</u> | <u>BOPD</u> | <u>MCFD</u> |
|------------------------|-------------|-------------|
| Federal C "35"#1 | 1 | 1452 |
| Federal C "35"#2 | 0 | 508 |
| Federal C "35"#3 | 0 | 3114 |
| Federal C "35"#4 | 2 | 3007 |
| Federal IBA Gas Com #1 | 1 | 359 |
| Federal IBA Gas Com #2 | 2 | 901 |
| Federal IBC Gas Com #1 | 0 | 367 |
| Federal IBC Gas Com #2 | 0 | 669 |
| Indian Basin "A" #1 | 0 | 820 |
| Indian Basin "A" #2 | 3 | 975 |
| Indian Basin "A" #3 | 0 | 368 |
| Indian Basin "A" #4 | 7 | 750 |

Currently the liquid hydrocarbon and water production from the North Indian Basin Unit 11 Satellite Facility are delivered to the MOC Central Facility through two pipelines. One pipeline carries only the liquid hydrocarbon production from the North Indian Basin Unit 11 Satellite Facility separators. The other pipeline carries the water production from these separators as well as the water and liquid hydrocarbons from the Loop Gas Gathering System suction scrubber and compressors located at the North Indian Basin Unit 11 Satellite facility. The liquid hydrocarbon production from the North Indian Basin Unit 11 Satellite Facility separators is processed through the heater treaters, piped to the storage tanks located at the MOC Central Facility and is then sold through the LACT units.

Marathon proposes to pipe the recombined liquid hydrocarbon and water production from the North Indian Basin Unit 11 Satellite Facility and Station 210, 215, 226, 235 and 311 Satellite Facilities through various pipelines to the MOC Central Facility gun barrel tank. The combined liquid hydrocarbon and water production from these Satellite Facilities will be separated through settlement in the gun barrel tank. The liquid hydrocarbon production will be floated over into the oil storage tanks at the MOC Central Facility and sold through the LACT units. The water production will be drained off the bottom of the gun barrel tank and sent to the water storage tanks at this facility. The water will then be pumped to the SWD wells that comprise the Indian Basin water disposal system. A map is enclosed showing the lease numbers and locations of all leases and wells that contribute production to the proposed commingled/common storage facility (Exhibit 1).

NORTH INDIAN BASIN UNIT 11 SATELLITE FACILITY

The North Indian Basin Unit 11 Satellite separation and measurement facility is located at UL "O", Sec. 2, T-21-S, R-23-E. The production from the following wells is commingled in this satellite facility (Oil Conservation Division Commingling Order PLC-124 2nd amendment):

Well Name

Comanche Federal "3" #1
Comanche Federal "3" #2
North Indian Basin Unit Gas Com #3
North Indian Basin Unit #10
North Indian Basin Unit #11
North Indian Basin Unit #12
North Indian Basin Unit #16
North Indian Basin Unit #17
North Indian Basin Unit #18
North Indian Basin Unit #19
North Indian Basin Unit #20
North Indian Basin Unit #21 (Morrow)
North Indian Basin Unit #22
North Indian Basin Unit #24
North Indian Basin Unit #25
North Indian Basin Unit #27
North Indian Basin Unit #30

A schematic diagram of this facility is attached, (See Exhibit 4), which identifies all equipment that will be utilized and shows the proposed flow path of all production.

| <u>Well Name</u> | <u>BOPD</u> | <u>MCFD</u> |
|--------------------------------------|-------------|-------------|
| Indian Basin "C" #1 | 1 | 343 |
| Indian Basin "C" #2 | Shut In | |
| Indian Basin "C" #3 | 0 | 1995 |
| Indian Basin "D" #1 | 0 | 533 |
| Indian Basin "D" #2 | 1 | 1017 |
| Indian Basin "E" #1 | 0 | 265 |
| Indian Basin "E" #2 | 0 | 13 |
| North Indian Basin Gas Com #32 | 3 | 1644 |
| North Indian Basin Unit #1 | 3 | 1534 |
| North Indian Basin Unit #4 | 2 | 696 |
| North Indian Basin Unit #5 | 3 | 1105 |
| North Indian Basin Unit #8 | 0 | 792 |
| North Indian Basin Unit #9 | 0 | 178 |
| North Indian Basin Unit #31 | 0 | 992 |
| North Indian Basin Unit #34 (Morrow) | 0 | 44 |
| North Indian Basin Unit #36 | 1 | 1294 |
| Smith Federal #1 | 0 | 473 |
| Smith Federal #2 | 0 | 5 |
| Smith Federal #3 | 1 | 1722 |

A schematic diagram of the proposed facility is attached, (See Exhibit 3), which identifies all equipment that is to be utilized and shows the flow path of all production. The API gravity of the liquid hydrocarbons from the Indian Basin Upper Penn Associated Gas Pool is 61.8°, from the Indian Basin Upper Penn Gas Pool is 55.1° and from the South Dagger Draw Upper Penn Associated Gas Pool is 45.5°. The calculated API gravity of the liquid hydrocarbons, after the proposed changes are made will be approximately 50°. There are 2 test separators, 4 production separators and a stack pack for the MOC Federal Well #8 at the MOC Central Facility. A production manifold allows for individual well testing in the test separators while production from the remaining wells of each lease flows to the production separator dedicated to that lease. There is one production separator for the MOC Federal Lease wells, one for the Bone Flats Federal 12 Lease wells, one for the Stinking Draw Lease wells, and one for the North Indian Basin Unit #7, #13, #14, #15, #23 and #26 wells. After separation, the gas production is metered and enters the Loop Gas Gathering system to be transported to the compressors. After separation, the liquid hydrocarbon production is metered, stored in the tanks at this facility and then sold through the two LACT units. The water production, after being separated and measured, is sent to the water storage tanks, located at this facility. The water is then pumped to the SWD wells that comprise the Indian Basin Field produced water disposal system. The stack pack at this facility is dedicated to the MOC Federal Well #8 which produces from the Morrow formation. After separation through the stack pack, the gas production is metered and then enters the Loop Gas Gathering system to be transported to the compressors. The water production is metered and sent to the water storage tanks to be pumped to the Indian Basin Field produced water disposal system. This well does not produce any liquid hydrocarbons.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

be sent, via pipeline, to the gun barrel tank at the MOC Central facility to be handled as shown in the description of the MOC Central Facility, above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

The production from the North Indian Basin Unit #34, which produces from the Morrow formation is measured through a 2-phase separator located at this facility. The gas is metered and enters the Loop Gas Gathering System to be sent to the compressors. This well doesn't produce any water or liquid hydrocarbons.

STATION 215 FACILITY

The Station 215 Satellite Facility is located in UL "K", Section 15, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is commingled at this facility (Oil Conservation Division Order PLC-175):

Well Name

North Indian Basin Gas Com #32
Federal IBA Gas Com #1
Federal IBA Gas Com #2
Indian Basin "A" #2
Indian Basin "A" #3
Indian Basin "A" #4

All the above wells are in Township 21 South, Range 23 East. The North Indian Basin Unit Gas Com #32, Federal IBA Gas Com #1, Indian Basin "A" #2, Indian Basin "A" #3, and Indian Basin "A" #4 produce from the Indian Basin Upper Penn Gas Pool. The Federal IBA Gas Com #2 produces from the South Dagger Draw Upper Penn Associated Gas Pool. The Federal IBA Gas Com #1 and #2 and the North Indian Basin Unit Gas Com #32 produce from the Upper Penn (Cisco-Canyon) zone and operate under Communitization Agreement SW-280.

A schematic diagram of the proposed facility is attached, (See Exhibit 6), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of five 3-phase separators. Two of these separators are used to measure the production from the Indian Basin "A" #2, #3, and #4 wells. One is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. The Federal IBA Gas Com #1, #2 and the North Indian Basin Gas Com #32 wells, are individually measured through the three remaining separators. Gas production is measured and then enters the Loop Gas Gathering system to be sent to the compressors. The liquid hydrocarbon and water production are separated and metered using turbine meters. The liquid hydrocarbon production will then be recombined with the water production and will be sent, via pipeline, to the gun barrel tank at the MOC Central facility to be handled as shown in the description of the MOC Central Facility, above.

Currently there are two test separators and two production separators at this satellite facility. A production manifold allows for individual well testing in the test separators while production from the remaining wells flows to the production separator dedicated to that lease. There is one production separator for the Comanche Federal "3" #1 and #2 wells and the North Indian Basin Unit Gas Com #3 well and one production separator for the North Indian Basin Unit wells. The gas production from this facility is measured then enters the Loop Gas Gathering system to be sent to the compressors. After separation, the liquid hydrocarbon and water production is metered using turbine meters. The liquid hydrocarbon production is sent, via pipeline, to the heater treaters at the MOC Central Facility and then is piped to the liquid hydrocarbon storage tanks at the MOC Central Facility to be metered and sold through the LACT units. The water production is combined with the water and liquid hydrocarbons pulled off the Loop Gas Gathering System suction scrubber and the compressors and sent, via pipeline, to the gun barrel tank at the MOC Central Facility. The gas production from the North Indian Basin Unit #21 (Morrow) well, after separation and measurement, is also piped to this satellite facility and enters the Loop Gas Gathering system to be transported to the compressors. The water production from this well is metered at the well location and sent, via pipeline to the wells that comprise the Indian Basin Field produced water disposal system.

Marathon proposes to recombine all liquid hydrocarbon production and water production measured at this facility and send it, through one pipeline, to the gun barrel tank at the MOC Central Facility. It will then be separated and handled as shown in the description of the MOC Central Facility, above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 210 FACILITY

The Station 210 separation and measurement facility is located at UL "M", Sec. 10, T-21-S, R-23-E. The production from the following wells is commingled in this satellite facility (Oil Conservation Division Commingling Order PLC-144, 1st amendment):

Well Name

North Indian Basin Unit #1
North Indian Basin Unit #4
North Indian Basin Unit #8
North Indian Basin Unit #9
North Indian Basin Unit #31
North Indian Basin Unit #34
North Indian Basin Unit #36

A schematic diagram of the proposed facility is attached, (See Exhibit 5), which identifies all equipment that is being utilized and shows the flow path of all production. There is one 3-phase test separator and one 3-phase production separator at this satellite facility. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. The liquid hydrocarbon and water production are separated and metered using turbine meters. The liquid hydrocarbon production will then be recombined with the water production and will

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 226 FACILITY (SOUTH INDIAN BASIN)

The Station 226 measurement and storage facility is located in UL "F", Section 26, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is commingled at this facility (Oil Conservation Division Order CTB-482 – 1st Amendment):

Well Name

Indian Basin "C" #1
Indian Basin "C" #2
Indian Basin "C" #3
Indian Basin "A" #1
Indian Basin "D" #1
Indian Basin "D" #2
Indian Basin "E" #1
Indian Basin "E" #2
Federal Indian Basin "C" Gas Com #1
Federal Indian Basin "C" Gas Com #2

A schematic diagram of the proposed facility is attached, (See Exhibit 7), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of three 3-phase separators, a gun barrel tank, a water storage tank and a liquid hydrocarbon storage tank. Two of the separators are used to measure the production from the Indian Basin "C" #1, #2, and #3 wells. One is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. The Indian Basin "A" #1 is individually measured through the remaining separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. The liquid hydrocarbon and water production are metered, using turbine meters, and are then recombined and sent to the on site gun barrel tank. The liquid hydrocarbon and water production from the Station 227 and Station 229 Satellite Facilities, which are recombined after measurement, are also piped into this gun barrel tank. The commingled fluids from Station 226, 227 and 229 Satellite Facilities, will then be piped to the gun barrel tank at the MOC Central Facility to be handled as shown in the description of the MOC Central Facility above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 227 FACILITY

The Station 227 measurement and storage facility is located in UL "K", Section 27, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is commingled at this facility (Oil Conservation Division Order CTB-484):

WELL NAME

Indian Basin "D" #1
Indian Basin "D" #2
Indian Basin "E" #1
Indian Basin "E" #2

A schematic diagram of the proposed facility is attached, (See Exhibit 8), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of three 3-phase separators. One of these separators is used to measure the production from the Indian Basin "D" #1 and #2 wells, and one is used to measure the production from the Indian Basin "E" #1 and #2 wells. The remaining separator is used as a test separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separators dedicated to each lease. Gas production is measured and then enters the Loop Gas Gathering system to be sent to the compressors. After being metered, the liquid hydrocarbon and water production are recombined and sent, via pipeline, to the gun barrel tank located at the Station 226 Facility to be handled as shown in the above description.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 229 FACILITY

The Station 229 measurement facility is located in UL "J", Section 29, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is measured at this facility:

WELL NAME

Federal Indian Basin "C" Gas Com #1
Federal Indian Basin "C" Gas Com #2

L.B. U. Penn

A schematic diagram of the proposed facility is attached, (See Exhibit 9), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of one 3-phase separator. The production from both wells is separated and measured through this separator. A well test for each well is obtained by shutting in the wells one at a time. Gas production is measured and then enters the Loop Gas Gathering System to be sent to the compressors. After being metered, using turbine meters, the liquid hydrocarbon and water production are recombined and sent, via pipeline, to the gun barrel tank located at the Station 226 Facility to be handled as shown in the above description.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 235 FACILITY

The Station 235 measurement facility is located in UL "M", Section 35, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells, all located within Section 35, is measured at this facility:

WELL NAME

Federal "C" 35 #1 SVD U.P. ASS.
Federal "C" 35 #2
Federal "C" 35 #3 I.B. U. P. ASS.
Federal "C" 35 #4

A schematic diagram of the proposed facility is attached, (See Exhibit 10), which identifies all equipment that is being utilized and shows the flow path of all production. There are two 3-phase separators at this satellite facility, one is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. After being metered, using turbine meters, the liquid hydrocarbon and water production are sent to the storage tank at this facility where it will be combined with the liquid hydrocarbon and water production from the Station 311 Facility. This commingled production will then be sent, via pipeline, to the gun barrel tank at the MOC Central Facility to be handled as shown in the above description.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 311 FACILITY

The Station 311 storage and measurement facility is located in UL "F", Section 11, T-22-S, R-23-E, Eddy County, New Mexico. The production from the following wells, all located within Section 11, is measured at this facility:

WELL NAME

Smith Federal #1 — I.B. U.P.
Smith Federal #2
Smith Federal #3 — I.B. U.P. ASS.

The Smith Federal #1 and #2 wells produce from the Indian Basin Upper Penn Gas Pool (79040). The Smith Federal #3 produces from the Indian Basin Upper Penn Associated Gas Pool (33685).

A schematic diagram of the proposed facility is attached, (See Exhibit 11), which identifies all equipment that is being utilized and shows the flow path of all production. There are two 3-phase separators at this satellite facility, one is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. After being metered, using turbine meters, the liquid hydrocarbon production will be recombined with the water production and will be piped to the tank at the Station 235 Facility to be handled as shown in the Station 235 Facility description above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$



**Marathon
Oil Company**

P.O. Box 552
Midland, TX 79702-0552
Telephone 432/682-1626

September 23, 2003

Working and Royalty Interest Owners
(Mailing List Attached)

Re: Amendment of Commingling Orders PLC-124, PLC-144, PLC-175, CTB-482, and CTB-484

State and Federal Leases and Communitization Agreements Affected: E-10169, E-10170, E-7906, NM-1832, NM-0251099-A, NM-34446, NM-384623, NM-384625, NM-384628, NM-4827-B, NM-51107, NM-05551, NM-05551-A, NM-05607, NM-05608, NM-05612-A, NM-06953, NM-70522-A, NM-81677, Unit Agreement 891008508-O and Com Agreements NM SW-242, SW-342, SW-280 and NM 91035, located in Townships 20, 20.5, 21 and 22 South, Ranges 23 and 24 East, Eddy County, New Mexico

Ladies and Gentlemen:

Marathon Oil Company is proposing to amend the Indian Basin Field Commingling, Off-Lease Storage, Measurement, and Sales agreement in order to increase gas and oil production by reducing system operating pressures. This amendment will supersede Oil Conservation Division Commingling Orders PLC-124, 2nd Amendment, PLC-144, 1st Amendment, PLC-175, CTB-482, 1st Amendment, and CTB-484. Currently separator pressures must be kept high to push oil into the Indian Basin Gas Plant liquid gathering system. This work will allow separator pressures to be reduced by up to 50 psi immediately at some sites and will allow for additional pressure reduction in the future. As reservoir pressure at Indian Basin continues to decline, the ability to reduce separator pressure becomes critical to keeping production rates higher for a longer period of time. While the main value of this work is increased gas and oil production, it is likely that a higher price will be received for the condensate by commingling it with other oil at the MOC Central Facility rather than sending it to the Gas Plant for sale.

Marathon proposes to change only the point of sale for some of the liquid hydrocarbon production covered by the above referenced Commingling Orders. These changes will not affect the measurement methods already agreed upon in these documents. A copy of the application is attached and explains the proposed changes in detail.

Our records indicate that you are an interest owner in one of the subject leases and, as such, pursuant to New Mexico Oil Conservation Division rules and regulations, are requested to provide your consent to this proposal. Please indicate your approval by signing in the space below and returning one copy of this letter to this office in the enclosed envelope. The second copy is for your files. If you have any objections to this application, please contact the New Mexico Oil Conservation Division Office at 1220 S. St. Francis Drive, Santa Fe, NM 87505, (505) 476-3440. If you have any questions, please call me at (915) 687-8321. Your prompt attention to this matter will be greatly appreciated.

Sincerely,

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

Ginny Larke
Engineer Technician

Attachments

Approved this _____ day of _____, 2003

Printed Name: _____

Title: _____

Company Name (if applicable): _____

| WELL NAME | No | STATION NUMBER | API NUMBER | TWN | RNG | SEC | U/L or Lot # | Feet From N/S Line | Feet From E/W Line | State / Fed | Lease Number | UNIT OR COM NUMBER | RESERVOIR | OGRID PROP CODE | OGRID POOL CODE | MOC STATUS |
|---------------------------|----|-----------------|------------|-----|-----|-----|--------------|--------------------|--------------------|-------------|--------------|--------------------|-----------------------|-----------------|-----------------|------------|
| BONE FLATS 12 FEDERAL COM | 1 | MOC CENTRAL | 3001528021 | 21S | 23E | 12 | D | 990 FNL | 990 FWL | FED | NM 05608 | NM 91035 | SDD UPPER PENN ASSOC. | 15242 | 15475 | ACTIVE |
| BONE FLATS 12 FEDERAL COM | 2 | MOC CENTRAL | 3001528304 | 21S | 23E | 12 | E | 1980 FNL | 660 FWL | FED | NM 05608 | NM 91035 | SDD UPPER PENN ASSOC. | 15242 | 15475 | ACTIVE |
| BONE FLATS 12 FEDERAL COM | 3 | MOC CENTRAL | 3001528529 | 21S | 23E | 12 | L | 1980 FSL | 760 FWL | FED | NM 81677 | NM 91035 | SDD UPPER PENN ASSOC. | 15242 | 15475 | ACTIVE |
| BONE FLATS 12 FEDERAL COM | 4 | MOC CENTRAL | 3001528675 | 21S | 23E | 12 | M | 660 FSL | 660 FWL | FED | NM 05551 A | NM 91035 | SDD UPPER PENN ASSOC. | 15242 | 15475 | ACTIVE |
| BONE FLATS 12 FEDERAL COM | 5 | MOC CENTRAL | 3001528847 | 21S | 23E | 12 | F | 1980 FNL | 1650 FWL | FED | NM 05608 | NM 91035 | SDD UPPER PENN ASSOC. | 15242 | 15475 | ACTIVE |
| BONE FLATS 12 FEDERAL COM | 6 | MOC CENTRAL | 3001529192 | 21S | 23E | 12 | N | 660 FSL | 1980 FWL | FED | NM 05551 A | NM 91035 | SDD UPPER PENN ASSOC. | 15242 | 15475 | ACTIVE |
| COMANCHE FED "3" | 1 | NIBU 11 SAT | 3001528720 | 21S | 23E | 3 | G | 1650 FNL | 1850 FEL | FED | NM0384623 | NM SW 242 | SDD UPPER PENN ASSOC. | 17954 | 15475 | ACTIVE |
| COMANCHE FED "3" | 2 | NIBU 11 SAT | 3001529972 | 21S | 23E | 3 | A | 660 FNL | 660 FEL | FED | NM0384623 | NM SW 242 | SDD UPPER PENN ASSOC. | 17954 | 15475 | ACTIVE |
| FEDERAL C "35" | 1 | STATION 235 | 3001510403 | 21S | 23E | 35 | F | 1650 FNL | 1650 FWL | FED | NM 06953 | | SDD UPPER PENN ASSOC. | 16957 | 15475 | ACTIVE |
| FEDERAL C "35" | 2 | STATION 235 | 3001527629 | 21S | 23E | 35 | M | 800 FSL | 800 FWL | FED | NM06953 | | SDD UPPER PENN ASSOC. | 16957 | 15475 | ACTIVE |
| FEDERAL C "35" | 3 | STATION 235 | 3001530619 | 21S | 23E | 35 | J | 1500 FSL | 2080 FEL | FED | NM06953 | | IB UPPER PENN ASSOC. | 16957 | 33685 | ACTIVE |
| FEDERAL C "35" | 4 | STATION 235 | 3001532453 | 21S | 23E | 35 | G | 2310 FNL | 1980 FEL | FED | NM06953 | | IB UPPER PENN ASSOC. | 16957 | 33685 | ACTIVE |
| FEDERAL IBA GAS COM | 1 | STATION 215 | 3001510556 | 21S | 23E | 15 | K | 1650 FSL | 1650 FWL | FED | NM05612A | SW 280 | IB UPPER PENN | 6390 | 79040 | ACTIVE |
| FEDERAL IBA GAS COM | 2 | STATION 215 | 3001530041 | 21S | 23E | 15 | I | 1980 FSL | 660 FEL | FED | NM0384628 | SW 280 | SDD UPPER PENN ASSOC. | 6390 | 15475 | ACTIVE |
| FEDERAL IBC GAS COM | 1 | STATION 229 | 3001510788 | 21S | 23E | 29 | J | 1700 FSL | 1550 FEL | FED | NM 0384625 | SW 342 | IB UPPER PENN | 6392 | 79040 | ACTIVE |
| FEDERAL IBC GAS COM | 2 | STATION 229 | 3001531396 | 21S | 23E | 29 | F | 860 FSL | 660 FEL | FED | NM0384625 | SW 342 | IB UPPER PENN | 6392 | 79040 | ACTIVE |
| INDIAN BASIN A | 1 | 226-IND. SEP. | 3001500034 | 21S | 23E | 22 | J | 1650 FSL | 1650 FEL | FED | NM05612-A | | IB UPPER PENN | 6404 | 79040 | ACTIVE |
| INDIAN BASIN A | 2 | STATION 215 | 3001526011 | 21S | 23E | 22 | K | 1650 FSL | 1650 FWL | FED | NM05612-A | | IB UPPER PENN | 6404 | 79040 | ACTIVE |
| INDIAN BASIN A | 3 | STATION 215 | 3001527932 | 21S | 23E | 22 | F | 1650 FNL | 1650 FWL | FED | NM05612-A | | IB UPPER PENN | 6404 | 79040 | ACTIVE |
| INDIAN BASIN A | 4 | STATION 215 | 3001531469 | 21S | 23E | 22 | G | 1650 FNL | 1650 FEL | FED | NM05612-A | | IB UPPER PENN | 6404 | 79040 | ACTIVE |
| INDIAN BASIN C | 1 | STATION 226 | 3001510332 | 21S | 23E | 26 | F | 1650 FNL | 1650 FWL | FED | NM070522-A | | IB UPPER PENN | 6405 | 79040 | ACTIVE |
| INDIAN BASIN C | 2 | STATION 226 | 3001528167 | 21S | 23E | 26 | M | 990 FSL | 660 FWL | FED | NM070522-A | | IB UPPER PENN | 6405 | 79040 | INACTIVE |
| INDIAN BASIN C | 3 | STATION 226 | 3001531112 | 21S | 23E | 26 | J | 1360 FSL | 2200 FEL | FED | NM070522-A | | IB UPPER PENN | 6405 | 79040 | ACTIVE |
| INDIAN BASIN D | 1 | STATION 227A | 3001510616 | 21S | 23E | 34 | K | 1650 FSL | 1650 FWL | FED | NM034446 | | IB UPPER PENN | 6406 | 79040 | ACTIVE |
| INDIAN BASIN D | 2 | STATION 227A | 3001528955 | 21S | 23E | 34 | D | 1650 FNL | 1650 FWL | FED | NM034446 | | IB UPPER PENN | 6406 | 79040 | ACTIVE |
| INDIAN BASIN E | 1 | STATION 227B | 3001510617 | 21S | 23E | 27 | K | 1650 FSL | 1650 FWL | FED | NM070522-A | | IB UPPER PENN | 6407 | 79040 | ACTIVE |
| INDIAN BASIN E | 2 | STATION 227B | 3001529017 | 21S | 23E | 27 | K | 1850 FNL | 1950 FWL | FED | NM070522A | | IB UPPER PENN | 6407 | 79040 | ACTIVE |
| MOC FEDERAL | 1 | MOC CENTRAL | 3001527928 | 21S | 23E | 1 | B | 990 FNL | 1855 FEL | FED | NM 04827B | | SDD UPPER PENN ASSOC. | 14838 | 15475 | ACTIVE |
| MOC FEDERAL | 2 | MOC CENTRAL | 3001527984 | 21S | 23E | 1 | J | 1980 FSL | 1980 FEL | FED | NM 04827B | | SDD UPPER PENN ASSOC. | 14838 | 15475 | ACTIVE |
| MOC FEDERAL | 3 | MOC CENTRAL | 3001528045 | 21S | 23E | 1 | D | 760 FNL | 660 FWL | FED | NM 04827B | | SDD UPPER PENN ASSOC. | 14838 | 15475 | ACTIVE |
| MOC FEDERAL | 4 | MOC CENTRAL | 3001528071 | 21S | 23E | 1 | L | 1980 FSL | 660 FWL | FED | NM 04827B | | SDD UPPER PENN ASSOC. | 14838 | 15475 | ACTIVE |
| MOC FEDERAL | 5 | MOC CENTRAL | 3001528117 | 21S | 23E | 1 | F | 1650 FNL | 1650 FWL | FED | NM 04827B | | SDD UPPER PENN ASSOC. | 14838 | 15475 | ACTIVE |
| MOC FEDERAL | 6 | MOC CENTRAL | 3001528285 | 21S | 23E | 1 | M | 860 FSL | 660 FWL | FED | NM 04827B | | SDD UPPER PENN ASSOC. | 14838 | 15475 | ACTIVE |
| MOC FEDERAL | 7 | MOC CENTRAL | 3001528309 | 21S | 23E | 1 | N | 890 FSL | 1750 FWL | FED | NM 04827B | | SDD UPPER PENN ASSOC. | 14838 | 15475 | ACTIVE |
| MOC FEDERAL | 8 | MOC CENTRAL | 3001528823 | 21S | 23E | 1 | K | 2030 FSL | 1650 FWL | FED | NM 04827B | | IB MORROW | 14838 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 1 | STATION 210 | 3001510065 | 21S | 23E | 10 | M | 660 FSL | 660 FWL | FED | NM 05608 | 891008508-O | IB UPPER PENN | 6411 | 79040 | ACTIVE |
| N. INDIAN BASIN UNIT | 2 | TA | 3001510336 | 21S | 23E | 11 | G | 1650 FNL | 1650 FEL | FED | NM 05608 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | INACTIVE |
| N. INDIAN BASIN UNIT | 4 | STATION 210 | 3001510558 | 21S | 23E | 16 | J | 1650 FSL | 1651.3 FEL | STATE | NM1832 | 891008508-O | IB UPPER PENN | 6411 | 79040 | ACTIVE |
| N. INDIAN BASIN UNIT | 5 | STATION 210 | 3001510559 | 21S | 23E | 9 | K | 1815 FSL | 1752 FEL | FED | NM 51107 | 891008508-O | IB UPPER PENN | 6411 | 79040 | ACTIVE |
| N. INDIAN BASIN UNIT | 7 | MOC CENTRAL | 3001520089 | 21S | 23E | 11 | K | 1650 FSL | 1650 FWL | FED | NM 05551 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 8 | STATION 210 | 3001526324 | 21S | 23E | 9 | N | 330 FSL | 1650 FWL | FED | NM05551 | 891008508-O | IB UPPER PENN | 6411 | 79040 | ACTIVE |
| N. INDIAN BASIN UNIT | 9 | STATION 210 | 3001527917 | 21S | 23E | 16 | K | 1650 FSL | 1775 FWL | STATE | E 10170 | 891008508-O | IB UPPER PENN | 6411 | 79040 | ACTIVE |
| N. INDIAN BASIN UNIT | 10 | NIBU 11 SAT | 3001527930 | 21S | 23E | 11 | C | 330 FNL | 2310 FWL | FED | NM 05551 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 11 | NIBU 11 SAT | 3001528232 | 21S | 23E | 2 | O | 660 FSL | 1980 FEL | STATE | E 10170 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 12 | NIBU 11 SAT | 3001528258 | 21S | 23E | 2 | M | 660 FSL | 660 FWL | STATE | E7906 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 13 | MOC CENTRAL | 3001528068 | 21S | 23E | 2 | H | 2050 FNL | 660 FEL | FED | NM 05551 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 14 | MOC CENTRAL | 3001528143 | 21S | 23E | 2 | LOT 2 | 660 FNL | 2310 FEL | FED | NM 05551 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 15 | MOC CENTRAL | 3001528305 | 21S | 23E | 2 | F | 1980 FNL | 1830 FWL | FED | NM 04827 B | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 16 | NIBU 11 SAT | 3001528287 | 21S | 23E | 11 | I | 1980 FSL | 825 FEL | FED | NM 05551 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 17 | NIBU 11 SAT | 3001528386 | 21S | 23E | 11 | A | 990 FNL | 660 FEL | FED | NM 05608 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 18 | NIBU 11 SAT | 3001528435 | 21S | 23E | 2 | J | 2310 FSL | 1650 FEL | STATE | E 7906 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 19 | NIBU 11 SAT | 3001528385 | 21S | 23E | 11 | O | 990 FSL | 1986 FEL | FED | NM 05551 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 20 | NIBU 11 SAT | 3001528384 | 21S | 23E | 2 | K | 1650 FSL | 2310 FWL | STATE | E 7906 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| N. INDIAN BASIN UNIT | 21 | INDIVIDUAL SEP. | 3001528621 | 21S | 23E | 11 | F | 2245 FNL | 1815 FWL | FED | NM 05608 | 891008508-A | IB MORROW | 6411 | 79040 | ACTIVE |

INDIAN BASIN WELL DATA 9/23/2003

2/2

| WELL NAME | No | STATION NUMBER | API NUMBER | TWN | RNG | SEC | U/L or Lot # | Feet From N/S Line | Feet From E/W Line | State / Fed | Lease Number | UNIT OR COM NUMBER | RESERVOIR | OGRID PROP CODE | OGRID POOL CODE | MOC STATUS |
|-----------------------------|----|-----------------|------------|--------|-----|-----|--------------|--------------------|--------------------|-------------|--------------|--------------------|-----------------------|-----------------|-----------------|------------|
| INDIAN BASIN UNIT | 22 | NIBU 11 SAT | 3001528583 | 21S | 23E | 11 | M | 760 FSL | 990 FWL | FED | NM 05551 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| INDIAN BASIN UNIT | 23 | MOC CENTRAL | 3001528578 | 21S | 23E | 2 | D | 760 FNL | 760 FWL | FED | NM 04827 B | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| INDIAN BASIN UNIT | 24 | NIBU 11 SAT | 3001528814 | 21S | 23E | 11 | D | 122 FNL | 310 FWL | FED | NM 05608 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15745 | ACTIVE |
| INDIAN BASIN UNIT | 25 | NIBU 11 SAT | 3001528857 | 21S | 23E | 11 | G | 2310 FNL | 1894 FEL | FED | NM 05608 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15745 | ACTIVE |
| INDIAN BASIN UNIT | 26 | MOC CENTRAL | 3001528782 | 21S | 23E | 2 | E | 2310 FNL | 660 FWL | FED | NM 04827 B | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| INDIAN BASIN UNIT | 27 | NIBU 11 SAT | 3001528977 | 21S | 23E | 11 | L | 2340 FSL | 255 FWL | FED | NM 05608 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15745 | ACTIVE |
| INDIAN BASIN UNIT | 30 | NIBU 11 SAT | 3001529059 | 21S | 23E | 10 | A | 660 FNL | 660 FEL | FED | NM 05608 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| INDIAN BASIN UNIT | 31 | STATION 210 | 3001530111 | 21S | 23E | 10 | J | 1980 FSL | 1980 FEL | FED | NM 05608 | 891008508-O | SDD UPPER PENN ASSOC. | 6411 | 15475 | ACTIVE |
| INDIAN BASIN UNIT | 34 | INDIVIDUAL SEP. | 3001529296 | 21S | 23E | 4 | P | 660 FSL | 660 FEL | FED | NM 05607 | 891008508-A | IB MORROW | 6413 | 78960 | ACTIVE |
| INDIAN BASIN UNIT | 36 | NIBU 11 SAT | 3001531048 | 21S | 23E | 16 | F | 2210 FNL | 1650 FWL | STATE | NM 1832 | 891008508-O | IB UPPER PENN | 6413 | 79040 | ACTIVE |
| INDIAN BASIN UNIT GAS COM | 3 | NIBU 11 SAT | 3001510557 | 21S | 23E | 3 | K | 1650 FSL | 2310 FWL | FED | NM 05608 | NM SW 242 | IB UPPER PENN | 6412 | 79040 | ACTIVE |
| INDIAN BASIN UNIT GAS COM | 32 | STATION 215 | 3001529305 | 21S | 23E | 15 | F | 1750 FNL | 1650 FWL | FED | NM 05608 | NM SW 280 | IB UPPER PENN | 6412 | 79040 | ACTIVE |
| INDIAN BASIN UNIT GAS COM A | 6 | TA | 3001520061 | 21S | 23E | 4 | J | 1650 FSL | 1650 FEL | FED | NM 05607 | | IB UPPER PENN | 6412 | 79040 | INACTIVE |
| MITH FEDERAL | 1 | STATION 311 | 3001510567 | 22S | 23E | 11 | F | 1650 FNL | 1650 FWL | FED | NM0251099A | | IB UPPER PENN | 16958 | 79040 | ACTIVE |
| MITH FEDERAL | 2 | STATION 311 | 3001529789 | 22S | 23E | 11 | L | 1465 FSL | 800 FWL | FED | NM0251099A | | IB UPPER PENN | 16958 | 79040 | ACTIVE |
| MITH FEDERAL | 3 | STATION 311 | 3001531342 | 22S | 23E | 11 | H | 1514 FNL | 870 FEL | FED | NM 0251099A | | IB UPPER PENN ASSOC. | 16958 | 33685 | ACTIVE |
| TINKING DRAW | 1 | MOC CENTRAL | 3001527891 | 20.5 S | 23E | 36 | LOT 2 | 660 FNL | 1650 FEL | STATE | E 10169 | | SDD UPPER PENN ASSOC. | 13964 | 15475 | ACTIVE |
| TINKING DRAW | 2 | MOC CENTRAL | 3001527976 | 20.5 S | 23E | 36 | F | 660 FSL | 1980 FWL | STATE | E 10169 | | SDD UPPER PENN ASSOC. | 13964 | 15475 | ACTIVE |
| TINKING DRAW | 3 | MOC CENTRAL | 3001527861 | 20.5 S | 23E | 36 | D | 990 FNL | 990 FWL | STATE | E 10169 | | SDD UPPER PENN ASSOC. | 13964 | 15475 | ACTIVE |
| TINKING DRAW | 4 | MOC CENTRAL | 3001528589 | 20.5 S | 23E | 36 | O | 970 FSL | 2076 FEL | STATE | E 10169 | | SDD UPPER PENN ASSOC. | 13964 | 15475 | ACTIVE |

EXHIBIT 2 *continued*

Royalty and Overriding Royalty Owners

| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
|-----------|------------------------------------|----------------------------|------------------------------------|----------------------------|----------------------|----------------------|-------------|------------|------------|-----------|
| 140362 | BRYAN BELL FAMILY LTD PARTNERSHIP1 | | BRYAN BELL FAMILY LTD PARTNERSHIP1 | | 1331 THIRD ST | | NEW ORLEANS | LOUISIANA | 70130-5743 | OR |
| 140362 | HUGH E HANAGAN | | HUGH E HANAGAN | | PO BOX 1737 | | ROSWELL | NEW MEXICO | 88202-1737 | OR |
| 140362 | LEIF HELTON OLSON ESTATE | | LEIF HELTON OLSON ESTATE | | 2702 56TH ST | | LUBBOCK | TEXAS | 79413-4916 | OR |
| 140362 | MARATHON OIL CO | | MARATHON OIL CO | | 539 S MAIN ST | | FINDLAY | OHIO | 45840-3229 | OR |
| 140362 | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | PO BOX 5810 TA | | DENVER | COLORADO | 80217-5810 | RI |
| 140362 | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | PO BOX 1887 | | SANTA FE | NEW MEXICO | 87504-1887 | OR |

| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
|-----------|------------------------------|---------------------|------------------------------|------------------------|----------------------|----------------------|----------|------------|------------|-----------|
| 140361 | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | PO BOX 1148 | | SANTA FE | NEW MEXICO | 87504-1148 | RI |

| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
|-----------|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|-----------------------|----------------------|----------------|------------|-----------|
| 140363 | ANN H STROMBERG | | ANN H STROMBERG | | 274 SAN LUIS PLACE | | CLAREMONT | CALIFORNIA | 91711-1746 | OR |
| 140363 | BANK OF AMERICA NA ESCROW AGENT | | BANK OF AMERICA NA ESCROW AGENT | | SABINE ROYALTY TRUST LBX 840887 | | DALLAS | TEXAS | 75284-0887 | OR |
| 140363 | BRIAN PATRICK MCCOY | | BRIAN PATRICK MCCOY | | 1708 MEADOW CREST LANE | | MANSFIELD | TEXAS | 76063-2941 | OR |
| 140363 | C JOHN AND DIANA R MCINTYRE JTWS | | C JOHN AND DIANA R MCINTYRE JTWS | | 732 CLOYDEN RD | | PALOS VERDES ESTATES | CALIFORNIA | 90274-1833 | OR |
| 140363 | CITIZENS BK AND TR OF ARDMORE OK | T C AND JUNE B STROMBERG REV TRUST | CITIZENS BK AND TR OF ARDMORE OK | T C AND JUNE B STROMBERG REV TRUST | P O BOX 277 | | ARDMORE | OKLAHOMA | 73402 | OR |
| 140363 | COMMISSIONER OF PUBLIC LANDS | | COMMISSIONER OF PUBLIC LANDS | | PO BOX 791 | | SANTA FE | NEW MEXICO | 87504-0791 | RI |
| 140363 | DAVID L STARK | | DAVID L STARK | | 313 BALSAM | | LAKE JACKSON | TEXAS | 77566-6121 | OR |
| 140363 | DEBORAH ANN STARK WORTHAM | | DEBORAH ANN STARK WORTHAM | | 6106 WALNUT DR | | TUTTLE | OKLAHOMA | 73089-7508 | OR |
| 140363 | EDITH BIVINS | | EDITH BIVINS | | 515 6TH AVE N | | CALDWELL | IDAHO | 83605-2962 | OR |
| 140363 | FIRST CENTURY OIL INC | | FIRST CENTURY OIL INC | | PO BOX 1518 | | ROSWELL | NEW MEXICO | 88202-1518 | OR |
| 140363 | GATES PROPERTIES LTD | | GATES PROPERTIES LTD | | PO BOX 81119 | | MIDLAND | TEXAS | 79708-1119 | OR |
| 140363 | HELEN GATES MAXWELL | | HELEN GATES MAXWELL | | 218 ALDERSGATE CIRCLE GIVENS ESTS | | ASHEVILLE | NORTH CAROLINA | 28803-2044 | OR |
| 140363 | HUGH E HANAGAN | | HUGH E HANAGAN | | PO BOX 1737 | | ROSWELL | NEW MEXICO | 88202-1737 | OR |
| 140363 | JACK D STARK | | JACK D STARK | | RR 1 BOX 15A | | RITZ HUGH | OKLAHOMA | 74843-9705 | OR |
| 140363 | JOHN W GATES LLC | | JOHN W GATES LLC | | 706 WEST GRAND AVENUE | | ARTESIA | NEW MEXICO | 88210 | OR |
| 140363 | JON STROMBERG | | JON STROMBERG | | 12101 N MACARTHUR 213 | | OKLAHOMA CITY | OKLAHOMA | 73162-1800 | OR |
| 140363 | KAREN K STARK BARTON | | KAREN K STARK BARTON | | 2628 SW 45TH ST | | OKLAHOMA CITY | OKLAHOMA | 73119-4611 | OR |
| 140363 | L M STARK | | L M STARK | | 305 FRONTERA | | BORGER | TEXAS | 79007-8076 | OR |
| 140363 | LAURA ANN MCCOY LINDSEY | | LAURA ANN MCCOY LINDSEY | | PO BOX 1137 | | ARTESIA | NEW MEXICO | 88211-1137 | OR |
| 140363 | LEIF HELTON OLSON ESTATE | | LEIF HELTON OLSON ESTATE | | 2702 56TH ST | | LUBBOCK | TEXAS | 79413-4916 | OR |
| 140363 | MARY ADELE STROMBERG PERRY | | MARY ADELE STROMBERG PERRY | | 123 BEACHVIEW WAY | | RUNAWAY BAY | TEXAS | 76426-9740 | OR |
| 140363 | MARY JANE STARK HENDERSON | | MARY JANE STARK HENDERSON | | 347 HILLSIDE CIR | | BURLESON | TEXAS | 76028-5225 | OR |
| 140363 | MARY LOU GIBBS | | MARY LOU GIBBS | | 1700 RIVERSIDE DR APT NO. B519 | | TULSA | OKLAHOMA | 74119-4677 | OR |
| 140363 | MARY LOVE STROMBERG TRUST | MARY LOVE STROMBERG TRUSTEE | MARY LOVE STROMBERG TRUST | MARY LOVE STROMBERG TRUSTEE | PO BOX 1412 | | ARDMORE | OKLAHOMA | 73402-1412 | OR |
| 140363 | MICHAEL FRANCIS MCCOY | | MICHAEL FRANCIS MCCOY | | CENTRO COLON, 2do PISO | OFICINA 2-10 | FINDLAY | OHIO | 45840 | OR |
| 140363 | MICHAEL RAY STARK | | MICHAEL RAY STARK | | 6510 ELLSWORTH RD | | FORT SMITH | ARKANSAS | 72903-2656 | OR |
| 140363 | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | PO BOX 5810 TA | | DENVER | COLORADO | 80217-5810 | RI |
| 140363 | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | PO BOX 1887 | | SANTA FE | NEW MEXICO | 87504-1887 | OR |
| 140363 | ROBERT L BERGMAN | JACQUELINE R BERGMAN REVOCABLE TR | ROBERT L BERGMAN | JACQUELINE R BERGMAN REVOCABLE TR | DATED 04/20/88 | 2515 GAYE DRIVE | ROSWELL | NEW MEXICO | 88201-3424 | OR |
| 140363 | SARA S JONES | | SARA S JONES | | 1203 VERNON RD | | ARDMORE | OKLAHOMA | 73401-3653 | OR |
| 140363 | SARANN CO | ATTN SARA STROMBERG JONES | SARANN CO | ATTN SARA STROMBERG JONES | 1203 VERNON RD | | ARDMORE | OKLAHOMA | 73401-3653 | OR |
| 140363 | TESSA NICOLE STARK | JERRY D STARK CUSTODIAN | TESSA NICOLE STARK | JERRY D STARK CUSTODIAN | 1878 PUTNAM DR | | BARTLESVILLE | OKLAHOMA | 74006-6804 | OR |
| 140363 | THE HILL FOUNDATION | WELLS FARGO BANK NA TRUSTEE | THE HILL FOUNDATION | WELLS FARGO BANK NA TRUSTEE | OGM MAC C7324 038 | PO BOX 5383 | DENVER | COLORADO | 80217-5383 | OR |
| 140363 | VIRGINIA GATES IRISH | | VIRGINIA GATES IRISH | | 7450 OLIVETOS AVE APT 154 | | LA JOLLA | CALIFORNIA | 92037-4902 | OR |
| 140363 | W B STARK | | W B STARK | | 2300 WEST TAYLOR APT 201 | | SHERMAN | TEXAS | 75092-0000 | OR |
| 140363 | WALLACE AND VERGINE GATES FAMILY TR | VERGINE RUSSELL GATES TRUSTEE | WALLACE AND VERGINE GATES FAMILY TR | VERGINE RUSSELL GATES TRUSTEE | 700 BEATTY RD APT 350 | BEATTY POINTE VILLAGE | MONROEVILLE | PENNSYLVANIA | 15146 | OR |
| 140363 | WESTWAY PETRO | | WESTWAY PETRO | | 500 N AKARD ST STE 200 | | DALLAS | TEXAS | 75201-6615 | OR |
| 140363 | WHEATLEY TRUST AGENCY | FIRST NATL BANK OF ARTESIA AGENT | WHEATLEY TRUST AGENCY | FIRST NATL BANK OF ARTESIA AGENT | PO DRAWER AA | | ARTESIA | NEW MEXICO | 88211-7526 | OR |
| 140363 | WILLIAM DOUGLASS MCCOY | | WILLIAM DOUGLASS MCCOY | | 10359 BOBCAT BLUFF | | SAN ANTONIO | TEXAS | 78251 | OR |
| 140363 | WILLIAM H STROMBERG TRUST | WILLIAM H STROMBERG TRUSTEE | WILLIAM H STROMBERG TRUST | WILLIAM H STROMBERG TRUSTEE | PO BOX 1412 | | ARDMORE | OKLAHOMA | 73402-1412 | OR |

| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|-----------------------------------|----------------------|----------------------|----------------|------------|-----------|
| 140320 | ANN H STROMBERG | | ANN H STROMBERG | | 274 SAN LUIS PLACE | | CLAREMONT | CALIFORNIA | 91711-1746 | OR |
| 140320 | BANK OF AMERICA NA ESCROW AGENT | | BANK OF AMERICA NA ESCROW AGENT | | SABINE ROYALTY TRUST LBX 840887 | | DALLAS | TEXAS | 75284-0887 | OR |
| 140320 | BRIAN PATRICK MCCOY | | BRIAN PATRICK MCCOY | | 1708 MEADOW CREST LANE | | MANSFIELD | TEXAS | 76063-2941 | OR |
| 140320 | C JOHN AND DIANA R MCINTYRE JTWS | | C JOHN AND DIANA R MCINTYRE JTWS | | 732 CLOYDEN RD | | PALOS VERDES ESTATES | CALIFORNIA | 90274-1833 | OR |
| 140320 | CITIZENS BK AND TR OF ARDMORE OK | T C AND JUNE B STROMBERG REV TRUST | CITIZENS BK AND TR OF ARDMORE OK | T C AND JUNE B STROMBERG REV TRUST | P O BOX 277 | | ARDMORE | OKLAHOMA | 73402 | OR |
| 140320 | COMMISSIONER OF PUBLIC LANDS | | COMMISSIONER OF PUBLIC LANDS | | PO BOX 791 | | SANTA FE | NEW MEXICO | 87504-0791 | RI |
| 140320 | FIRST CENTURY OIL INC | | FIRST CENTURY OIL INC | | PO BOX 1518 | | ROSWELL | NEW MEXICO | 88202-1518 | OR |
| 140320 | GATES PROPERTIES LTD | | GATES PROPERTIES LTD | | PO BOX 81119 | | MIDLAND | TEXAS | 79708-1119 | OR |
| 140320 | HELEN GATES MAXWELL | | HELEN GATES MAXWELL | | 218 ALDERSGATE CIRCLE GIVENS ESTS | | ASHEVILLE | NORTH CAROLINA | 28803-2044 | OR |
| 140320 | HUGH E HANAGAN | | HUGH E HANAGAN | | PO BOX 1737 | | ROSWELL | NEW MEXICO | 88202-1737 | OR |
| 140320 | JOHN W GATES LLC | | JOHN W GATES LLC | | 706 WEST GRAND AVENUE | | ARTESIA | NEW MEXICO | 88210 | OR |
| 140320 | JON STROMBERG | | JON STROMBERG | | 12101 N MACARTHUR 213 | | OKLAHOMA CITY | OKLAHOMA | 73162-1800 | OR |
| 140320 | LAURA ANN MCCOY LINDSEY | | LAURA ANN MCCOY LINDSEY | | PO BOX 1137 | | ARTESIA | NEW MEXICO | 88211-1137 | OR |
| 140320 | LEIF HELTON OLSON ESTATE | | LEIF HELTON OLSON ESTATE | | 2702 56TH ST | | LUBBOCK | TEXAS | 79413-4916 | OR |
| 140320 | MARY ADELE STROMBERG PERRY | | MARY ADELE STROMBERG PERRY | | 123 BEACHVIEW WAY | | RUNAWAY BAY | TEXAS | 76426-9740 | OR |
| 140320 | MARY JANE CLINGMAN | | MARY JANE CLINGMAN | | 4416 MCFARLIN BLVD | | DALLAS | TEXAS | 75205-1631 | OR |
| 140320 | MARY LOVE STROMBERG TRUST | MARY LOVE STROMBERG TRUSTEE | MARY LOVE STROMBERG TRUST | MARY LOVE STROMBERG TRUSTEE | PO BOX 1412 | | ARDMORE | OKLAHOMA | 73402-1412 | OR |

Royalty and Overriding Royalty Owners

| | | | | | | | | | | |
|--------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|---------------------------|-----------------------|-------------|--------------|------------|----|
| 140320 | MICHAEL FRANCIS MCCOY | | MICHAEL FRANCIS MCCOY | | CENTRO COLON, 2do PISO | OFICINA 2-10 | FINDLAY | OHIO | 45840 | OR |
| 140320 | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | PO BOX 5810 TA | | DENVER | COLORADO | 80217-5810 | RI |
| 140320 | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | PO BOX 5810 TA | | DENVER | COLORADO | 80217-5810 | RI |
| 140320 | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | PO BOX 1887 | | SANTA FE | NEW MEXICO | 87504-1887 | OR |
| 140320 | ROBERT L BERGMAN | JACQUELINE R BERGMAN REVOCABLE TR | ROBERT L BERGMAN | JACQUELINE R BERGMAN REVOCABLE TR | DATED 04/20/88 | 2515 GAYE DRIVE | ROSWELL | NEW MEXICO | 88201-3424 | OR |
| 140320 | SARA S JONES | | SARA S JONES | | 1203 VERNON RD | | ARDMORE | OKLAHOMA | 73401-3653 | OR |
| 140320 | SARANN CO | ATTN SARA STROMBERG JONES | SARANN CO | ATTN SARA STROMBERG JONES | 1203 VERNON RD | | ARDMORE | OKLAHOMA | 73401-3653 | OR |
| 140320 | SOUTHWEST ROYALTIES INC | REVENUE ACCOUNT | SOUTHWEST ROYALTIES INC | REVENUE ACCOUNT | PO BOX 678066 | | DALLAS | TEXAS | 75267 | OR |
| 140320 | THE HILL FOUNDATION | WELLS FARGO BANK NA TRUSTEE | THE HILL FOUNDATION | WELLS FARGO BANK NA TRUSTEE | OGM MAC C7324 038 | PO BOX 5383 | DENVER | COLORADO | 80217-5383 | OR |
| 140320 | THELMA G THOMPSON | | THELMA G THOMPSON | | PO BOX 1576 | | UVALDE | TEXAS | 78802-1576 | OR |
| 140320 | VIRGINIA GATES IRISH | | VIRGINIA GATES IRISH | | 7450 OLIVETOS AVE APT 154 | | LA JOLLA | CALIFORNIA | 92037-4902 | OR |
| 140320 | VOL L BOSWELL TRUSTEE TAG TRUST B | OF ANN KENNEDY WINSLOW DECD | VOL L BOSWELL TRUSTEE TAG TRUST B | OF ANN KENNEDY WINSLOW DECD | 2825 E SKELLY DR STE 825 | | TULSA | OKLAHOMA | 74105-8250 | OR |
| 140320 | WALLACE AND VERGINE GATES FAMILY TR | VERGINE RUSSELL GATES TRUSTEE | WALLACE AND VERGINE GATES FAMILY TR | VERGINE RUSSELL GATES TRUSTEE | 700 BEATTY RD APT 350 | BEATTY POINTE VILLAGE | MONROEVILLE | PENNSYLVANIA | 15146 | OR |
| 140320 | WESTWAY PETRO | | WESTWAY PETRO | | 500 N AKARD ST STE 200 | | DALLAS | TEXAS | 75201-6615 | OR |
| 140320 | WHEATLEY TRUST AGENCY | FIRST NATL BANK OF ARTESIA AGENT | WHEATLEY TRUST AGENCY | FIRST NATL BANK OF ARTESIA AGENT | PO DRAWER AA | | ARTESIA | NEW MEXICO | 88211-7526 | OR |
| 140320 | WILLIAM DOUGLASS MCCOY | | WILLIAM DOUGLASS MCCOY | | 10359 BOBCAT BLUFF | | SAN ANTONIO | TEXAS | 78251 | OR |
| 140320 | WILLIAM H STROMBERG TRUST | WILLIAM H STROMBERG TRUSTEE | WILLIAM H STROMBERG TRUST | WILLIAM H STROMBERG TRUSTEE | PO BOX 1412 | | ARDMORE | OKLAHOMA | 73402-1412 | OR |

| INDIAN HILLS STATE 1, 3, 4, 7 | | | | | | | | | | |
|-------------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|----------------------|----------------------|---------------|------------|------------|-----------|
| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
| 140346 | ALICE ANN HANKS | C/O MELBURN NUTT | ALICE ANN HANKS | C/O MELBURN NUTT | PO BOX 9087 | | WICHITA FALLS | TEXAS | 76308-9087 | OR |
| 140346 | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | PO BOX 1148 | | SANTA FE | NEW MEXICO | 87504-1148 | RI |
| 140346 | LOLLIE D CHAMBERS | | LOLLIE D CHAMBERS | | 2441 STANMORE DR | | HOUSTON | TEXAS | 77019 | OR |
| 140346 | ROBERT E CHAMBERS ESTATE | ROBERT E CHAMBERS JR INDP EXEC | ROBERT E CHAMBERS ESTATE | ROBERT E CHAMBERS JR INDP EXEC | 2441 STANMORE DR | | HOUSTON | TEXAS | 77019 | OR |
| 140346 | W T PROBANDT | | W T PROBANDT | | 415 W WALL STE 2206 | | MIDLAND | TEXAS | 79701-4442 | OR |

| INDIAN HILLS STATE 5, 8, 9 | | | | | | | | | | |
|----------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|----------------------|----------------------|---------------|------------|------------|-----------|
| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
| 140347 | ALICE ANN HANKS | C/O MELBURN NUTT | ALICE ANN HANKS | C/O MELBURN NUTT | PO BOX 9087 | | WICHITA FALLS | TEXAS | 76308-9087 | OR |
| 140347 | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | PO BOX 1148 | | SANTA FE | NEW MEXICO | 87504-1148 | RO |
| 140347 | CONOCOPHILLIPS COMPANY | | CONOCOPHILLIPS COMPANY | | PO BOX 160 | | SAINT LOUIS | MISSOURI | 63150-0160 | OR |
| 140347 | LOLLIE D CHAMBERS | | LOLLIE D CHAMBERS | | 2441 STANMORE DR | | HOUSTON | TEXAS | 77019 | OR |
| 140347 | MARATHON OIL CO | | MARATHON OIL CO | | 539 S MAIN ST | | FINDLAY | OHIO | 45840-3229 | OR |
| 140347 | ROBERT E CHAMBERS ESTATE | ROBERT E CHAMBERS JR INDP EXEC | ROBERT E CHAMBERS ESTATE | ROBERT E CHAMBERS JR INDP EXEC | 2441 STANMORE DR | | HOUSTON | TEXAS | 77019 | OR |
| 140347 | W T PROBANDT | | W T PROBANDT | | 415 W WALL STE 2206 | | MIDLAND | TEXAS | 79701-4442 | OR |

| MOC FEDERAL | | | | | | | | | | |
|-------------|-----------------------------|----------------------------|-----------------------------|----------------------------|--------------------------------|----------------------|---------------|----------|------------|-----------|
| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
| 140960 | DAVID L STARK | | DAVID L STARK | | 313 BALSAM | | LAKE JACKSON | TEXAS | 77566-6121 | OR |
| 140960 | DEBORAH ANN STARK WORTHAM | | DEBORAH ANN STARK WORTHAM | | 6106 WALNUT DR | | TUTTLE | OKLAHOMA | 73089-7508 | OR |
| 140960 | EDITH BIVINS | | EDITH BIVINS | | 515 6TH AVE N | | CALDWELL | IDAHO | 83605-2962 | OR |
| 140960 | JACK D STARK | | JACK D STARK | | RR 1 BOX 15A | | FITZHUGH | OKLAHOMA | 74843-9705 | OR |
| 140960 | KAREN K STARK BARTON | | KAREN K STARK BARTON | | 2628 SW 45TH ST | | OKLAHOMA CITY | OKLAHOMA | 73119-4611 | OR |
| 140960 | L M STARK | | L M STARK | | 305 FRONTERA | | BORGER | TEXAS | 79007-8076 | OR |
| 140960 | MARY JANE STARK HENDERSON | | MARY JANE STARK HENDERSON | | 347 HILLSIDE CIR | | BURLESON | TEXAS | 76028-5225 | OR |
| 140960 | MARY LOU GIBBS | | MARY LOU GIBBS | | 1700 RIVERSIDE DR APT NO. B519 | | TULSA | OKLAHOMA | 74119-4677 | OR |
| 140960 | MICHAEL RAY STARK | | MICHAEL RAY STARK | | 6510 ELLSWORTH RD | | FORT SMITH | ARKANSAS | 72903-2656 | OR |
| 140960 | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | PO BOX 5810 TA | | DENVER | COLORADO | 80217-5810 | RI |
| 140960 | TESSA NICOLE STARK | JERRY D STARK CUSTODIAN | TESSA NICOLE STARK | JERRY D STARK CUSTODIAN | 1878 PUTNAM DR | | BARTLESVILLE | OKLAHOMA | 74006-6804 | OR |
| 140960 | W B STARK | | W B STARK | | 2300 WEST TAYLOR APT 201 | | SHERMAN | TEXAS | 75092-0000 | OR |

| NBU - UP | | | | | | | | | | |
|-----------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|----------------------|----------------------|----------------|------------|-----------|
| DO NUMBER | OWNER NAME LINE 1 | OWNER NAME LINE 2 | OWNER ATTENTION LINE 1 | OWNER ATTENTION LINE 2 | OWNER ADDRESS LINE 1 | OWNER ADDRESS LINE 2 | CITY | STATE | ZIP | INT. TYPE |
| 141152 | ANN H STROMBERG | | ANN H STROMBERG | | 274 SAN LUIS PLACE | | CLAREMONT | CALIFORNIA | 91711-1746 | OR |
| 141152 | BANK OF AMERICA NA ESCROW AGENT | | BANK OF AMERICA NA ESCROW AGENT | | SABINE ROYALTY TRUST Lbx 840887 | | DALLAS | TEXAS | 75284-0887 | OR |
| 141152 | BRIAN PATRICK MCCOY | | BRIAN PATRICK MCCOY | | 1708 MEADOW CREST LANE | | MANSFIELD | TEXAS | 76063-2941 | OR |
| 141152 | C JOHN AND DIANA R MCINTYRE JTWRs | | C JOHN AND DIANA R MCINTYRE JTWRs | | 732 CLOYDEN RD | | PALOS VERDES ESTATES | CALIFORNIA | 90274-1833 | OR |
| 141152 | CITIZENS BK AND TR OF ARDMORE OK | T C AND JUNE B STROMBERG REV TRUST | CITIZENS BK AND TR OF ARDMORE OK | T C AND JUNE B STROMBERG REV TRUST | P O BOX 277 | | ARDMORE | OKLAHOMA | 73402 | OR |
| 141152 | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | COMMISSIONER OF PUBLIC LANDS | STATE OF NEW MEXICO | PO BOX 1148 | | SANTA FE | NEW MEXICO | 87504-1148 | RI |
| 141152 | COMMISSIONER OF PUBLIC LANDS | | COMMISSIONER OF PUBLIC LANDS | | PO BOX 791 | | SANTA FE | NEW MEXICO | 87504-0791 | RI |
| 141152 | DAVID L STARK | | DAVID L STARK | | 313 BALSAM | | LAKE JACKSON | TEXAS | 77566-6121 | OR |
| 141152 | DEBORAH ANN STARK WORTHAM | | DEBORAH ANN STARK WORTHAM | | 6106 WALNUT DR | | TUTTLE | OKLAHOMA | 73089-7508 | OR |
| 141152 | EDITH BIVINS | | EDITH BIVINS | | 515 6TH AVE N | | CALDWELL | IDAHO | 83605-2962 | OR |
| 141152 | FIRST CENTURY OIL INC | | FIRST CENTURY OIL INC | | PO BOX 1518 | | ROSWELL | NEW MEXICO | 88202-1518 | OR |
| 141152 | GATES PROPERTIES LTD | | GATES PROPERTIES LTD | | PO BOX 81119 | | MIDLAND | TEXAS | 79708-1119 | OR |
| 141152 | HELEN GATES MAXWELL | | HELEN GATES MAXWELL | | 218 ALDERSGATE CIRCLE GIVENS ESTS | | ASHEVILLE | NORTH CAROLINA | 28803-2044 | OR |
| 141152 | HUGH E HANAGAN | | HUGH E HANAGAN | | PO BOX 1737 | | ROSWELL | NEW MEXICO | 88202-1737 | OR |
| 141152 | JACK D STARK | | JACK D STARK | | RR 1 BOX 15A | | FITZHUGH | OKLAHOMA | 74843-9705 | OR |
| 141152 | JOHN W GATES LLC | | JOHN W GATES LLC | | 706 WEST GRAND AVENUE | | ARTESIA | NEW MEXICO | 88210 | OR |
| 141152 | JON STROMBERG | | JON STROMBERG | | 12101 N MACARTHUR 213 | | OKLAHOMA CITY | OKLAHOMA | 73162-1800 | OR |
| 141152 | KAREN K STARK BARTON | | KAREN K STARK BARTON | | 2628 SW 45TH ST | | OKLAHOMA CITY | OKLAHOMA | 73119-4611 | OR |
| 141152 | L M STARK | | L M STARK | | 305 FRONTERA | | BORGER | TEXAS | 79007-8076 | OR |
| 141152 | LAURA ANN MCCOY LINDSEY | | LAURA ANN MCCOY LINDSEY | | PO BOX 1137 | | ARTESIA | NEW MEXICO | 88211-1137 | OR |
| 141152 | LEIF HELTON OLSON ESTATE | | LEIF HELTON OLSON ESTATE | | 2702 56TH ST | | LUBBOCK | TEXAS | 79413-4916 | OR |

| | | | | | | | | | | |
|--------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|--------------------------------|-----------------------|--------------|--------------|------------|----|
| 141152 | MARY ADELE STROMBERG PERRY | | MARY ADELE STROMBERG PERRY | | 123 BEACHVIEW WAY | | RUNAWAY BAY | TEXAS | 76426-9740 | OR |
| 141152 | MARY JANE STARK HENDERSON | | MARY JANE STARK HENDERSON | | 347 HILLSIDE CIR | | BURLESON | TEXAS | 76028-5225 | OR |
| 141152 | MARY LOU GIBBS | | MARY LOU GIBBS | | 1700 RIVERSIDE DR APT NO. B519 | | TULSA | OKLAHOMA | 74119-4677 | OR |
| 141152 | MARY LOVE STROMBERG TRUST | MARY LOVE STROMBERG TRUSTEE | MARY LOVE STROMBERG TRUST | MARY LOVE STROMBERG TRUSTEE | PO BOX 1412 | | ARDMORE | OKLAHOMA | 73402-1412 | OR |
| 141152 | MICHAEL FRANCIS MCCOY | | MICHAEL FRANCIS MCCOY | | CENTRO COLON, 2da PISO | OFICINA 2-10 | FINDLAY | OHIO | 45840 | OR |
| 141152 | MICHAEL RAY STARK | | MICHAEL RAY STARK | | 6510 ELLSWORTH RD | | FORT SMITH | ARKANSAS | 72903-2656 | OR |
| 141152 | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | MINERALS MANAGEMENT SERVICE | ROYALTY MANAGEMENT PROGRAM | PO BOX 5810 TA | | DENVER | COLORADO | 80217-5810 | RI |
| 141152 | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | ROBERT G HANAGAN | FOR HANAGAN PROPERTIES | PO BOX 1887 | | SANTA FE | NEW MEXICO | 87504-1887 | OR |
| 141152 | ROBERT L BERGMAN | JACQUELINE R BERGMAN REVOCABLE TR | ROBERT L BERGMAN | JACQUELINE R BERGMAN REVOCABLE TR | DATED 04/20/88 | 2515 GAYE DRIVE | ROSWELL | NEW MEXICO | 88201-3424 | OR |
| 141152 | SARA S JONES | | SARA S JONES | | 1203 VERNON RD | | ARDMORE | OKLAHOMA | 73401-3653 | OR |
| 141152 | SARANN CO | ATTN SARA STROMBERG JONES | SARANN CO | ATTN SARA STROMBERG JONES | 1203 VERNON RD | | ARDMORE | OKLAHOMA | 73401-3653 | OR |
| 141152 | TESSA NICOLE STARK | JERRY D STARK CUSTODIAN | TESSA NICOLE STARK | JERRY D STARK CUSTODIAN | 1878 PUTNAM DR | | BARTLESVILLE | OKLAHOMA | 74006-6804 | OR |
| 141152 | THE HILL FOUNDATION | WELLS FARGO BANK NA TRUSTEE | THE HILL FOUNDATION | WELLS FARGO BANK NA TRUSTEE | OGM MAC C7324 038 | PO BOX 5383 | DENVER | COLORADO | 80217-5383 | OR |
| 141152 | VIRGINIA GATES IRISH | | VIRGINIA GATES IRISH | | 7450 OLIVETOS AVE APT 154 | | LA JOLLA | CALIFORNIA | 92037-4902 | OR |
| 141152 | W B STARK | | W B STARK | | 2300 WEST TAYLOR APT 201 | | SHERMAN | TEXAS | 75092-0000 | OR |
| 141152 | WALLACE AND VERGINE GATES FAMILY TR | VERGINE RUSSELL GATES TRUSTEE | WALLACE AND VERGINE GATES FAMILY TR | VERGINE RUSSELL GATES TRUSTEE | 700 BEATTY RD APT 350 | BEATTY POINTE VILLAGE | MONROEVILLE | PENNSYLVANIA | 15146 | OR |
| 141152 | WESTWAY PETRO | | WESTWAY PETRO | | 500 N AKARD ST STE 200 | | DALLAS | TEXAS | 75201-6615 | OR |
| 141152 | WHEATLEY TRUST AGENCY | FIRST NATL BANK OF ARTESIA AGENT | WHEATLEY TRUST AGENCY | FIRST NATL BANK OF ARTESIA AGENT | PO DRAWER AA | | ARTESIA | NEW MEXICO | 88211-7526 | OR |
| 141152 | WILLIAM DOUGLASS MCCOY | | WILLIAM DOUGLASS MCCOY | | 10359 BOBCAT BLUFF | | SAN ANTONIO | TEXAS | 78251 | OR |
| 141152 | WILLIAM H STROMBERG TRUST | WILLIAM H STROMBERG TRUSTEE | WILLIAM H STROMBERG TRUST | WILLIAM H STROMBERG TRUSTEE | PO BOX 1412 | | ARDMORE | OKLAHOMA | 73402-1412 | OR |