

AMEND PLC 11/29/99

Mid-Continent Region  
Production United States



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

NOV - 5 1999

November 3, 1999

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

Dear Mr. Ashley

Marathon Oil Company proposes to amend PLC-124 to allow the production that goes through the MOC Federal Central Tank Battery and the NIBU 11 Satellite Facility to be measured by lease instead of being measured by pool, as currently permitted. This change is being requested to bring these facilities into compliance with Bureau of Land Management regulations.

This will primarily affect the measurement of the North Indian Basin Unit. The current configuration has the North Indian Basin Unit Gas Com #3, Comanche Federal "3" #1, and the Comanche Federal "3" #2 wells producing into the same separator. The production is allocated back to the wells by well test. We propose to reroute the North Indian Basin Unit Gas Com #3 into a separator with other North Indian Basin Unit wells. This will allow the Comanche Federal wells to be measured by lease, and the North Indian Basin Unit wells to be measured by lease. Please find attached a more detailed explanation of the proposed operation, along with maps and drawings to help you understand the changes to be made. Also attached is a copy of the letter being sent by certified mail to all interest owners.

Thank you for your consideration of this matter. If you have questions, or need more information, please call me at 915-687-8449.

Sincerely,

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

Ginny Larke  
Engineer Technician

vll:m:\winword\MOCFEDbatt\ocdltr.doc

Attachments

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**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.*

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires November 30 2000

5. Lease Serial No.

**See attachment**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

9. API Well No.

10. Field and Pool, or Exploratory Area  
**Indian Basin Upper Penn &  
S. Dagger Draw Up. Penn Aso.**

11. County or Parish, State

**Eddy NM**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

**MOC Fed. Central Batt. & NIBU 11 Satellite Facil.**

2. Name of Operator

**Marathon Oil Company**

3a. Address

**P.O. Box 552 Midland, TX 79702**

3b. Phone No. (include area code)

**915-682-1626**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**Section 36, T-20-S, R-24-E, Section 36, T-20-1/2-S, R-23-E, Sections  
1, 2, 3, 10, 11, and E/2 of 12, T-21-S, R-23-E**

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

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **Amend**

**Surface Commingle**

**permit**

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.)

**Marathon Oil Company requests that the New Mexico Oil Conservation Division amend Commingle Permit PLC-124 to allow the production from the above mentioned facilities to be measured by lease instead of by pool. This request is being made to bring these facilities into compliance with BLM regulations. The attachments show the piping change that will be made at the NIBU 11 Satellite Facility. Production will be allocated back to each well using well tests per prior approval. See the attached for a detailed explanation.**

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

**Ginny Larke**

Title

**Engineer Technician**

Date **11/3/99**

**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, 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.

(Instructions on reverse)

**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 to amend the Surface Commingling and Off Lease Storage permit for the hydrocarbon production from the following State and Federal Lease(s):

<b>Lease Name</b>	<b>BOPD</b>	<b>API Grav.</b>	<b>MCFD</b>
<b>MOC Federal</b>	<b>297</b>	<b>42</b>	<b>12,916</b>
<b>North Indian Basin Unit</b>	<b>1,496</b>	<b>43</b>	<b>22,130</b>
<b>Bone Flats Federal</b>	<b>732</b>	<b>42.3</b>	<b>1,926</b>
<b>Comanche Federal "3"</b>	<b>17</b>	<b>47</b>	<b>8,876</b>
<b>Stinking Draw</b>	<b>157</b>	<b>42.2</b>	<b>2,498</b>
<b>Indian Hills State Com</b>	<b>164</b>	<b>43</b>	<b>2,435</b>

Lease numbers, locations and pools of these leases are as follows:

**North Indian Basin Unit** (Including Com #NM-SW 242)

Lease Numbers: NM-0487-B, NM-05608, NM-05551, NM-05551-B, NM-SW242, & State Leases E-7906 and E-10170  
Description: Section 2, S/2 Section 3, Section 10 and Section 11, T-21-S, R-23-E  
Pool: South Dagger Draw Upper Penn Associated Pool and (W/2 Sec. 3) Indian Basin Upper Penn Gas Pool

**Comanche Federal Lease** (Including Com # NM-SW 242)

Lease Numbers: NM-04827-B, NM-34623, and NM-0384623  
Description: N/2 of Section 3, T-21-S, R-23-E  
Pool: South Dagger Draw Upper Penn Associated Pool (E/2 Sec. 3)

**Bone Flats Federal "12" Lease**

Lease Numbers: NM-05608, NM-81677, and NM-05551-A  
Description: Section 2, T-21-S, R-23-E  
Pool: South Dagger Draw Upper Penn Associated Pool

**MOC Federal Lease**

Lease Numbers: NM-04827-B  
Description: Section 1, T-21-S, R-23-E  
Pool: South Dagger Draw Upper Penn Associated Pool

**Stinking Draw Lease**

Lease Numbers: State Leases K-1877 and E-10169-1  
Description: Section 36 T-20½-S, R-23-E  
Pool: South Dagger Draw Upper Penn Associated Pool

**Indian Hills State Com Lease**

Lease Numbers: State Lease E-10083  
Description: Section 36, T-20-E, R-24-E  
Pool: South Dagger Draw Upper Penn Associated Pool

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

The production from the North Indian Basin Unit Gas Com Well No. 3 is currently produced into a separator along with the production from the Comanche Federal "3" Wells No. 1 and 2. To bring this facility into compliance with BLM regulations, an amendment to PLC-124 is being requested from the State of New Mexico Oil Conservation Division that will allow the production from the leases mentioned above to be measured by lease before being commingled. The current order requires that the production be measured by pool before being commingled. To accomplish measurement by lease, the production from the North Indian Basin Unit Gas Com Well No. 3 will be rerouted to the separator that measures the North Indian Basin Unit wells at the NIBU 11 Satellite Facility. This will have all Unit wells measured together and all Comanche Federal wells measured together. Production will still be allocated back to each well on the basis of well tests per previous approvals.

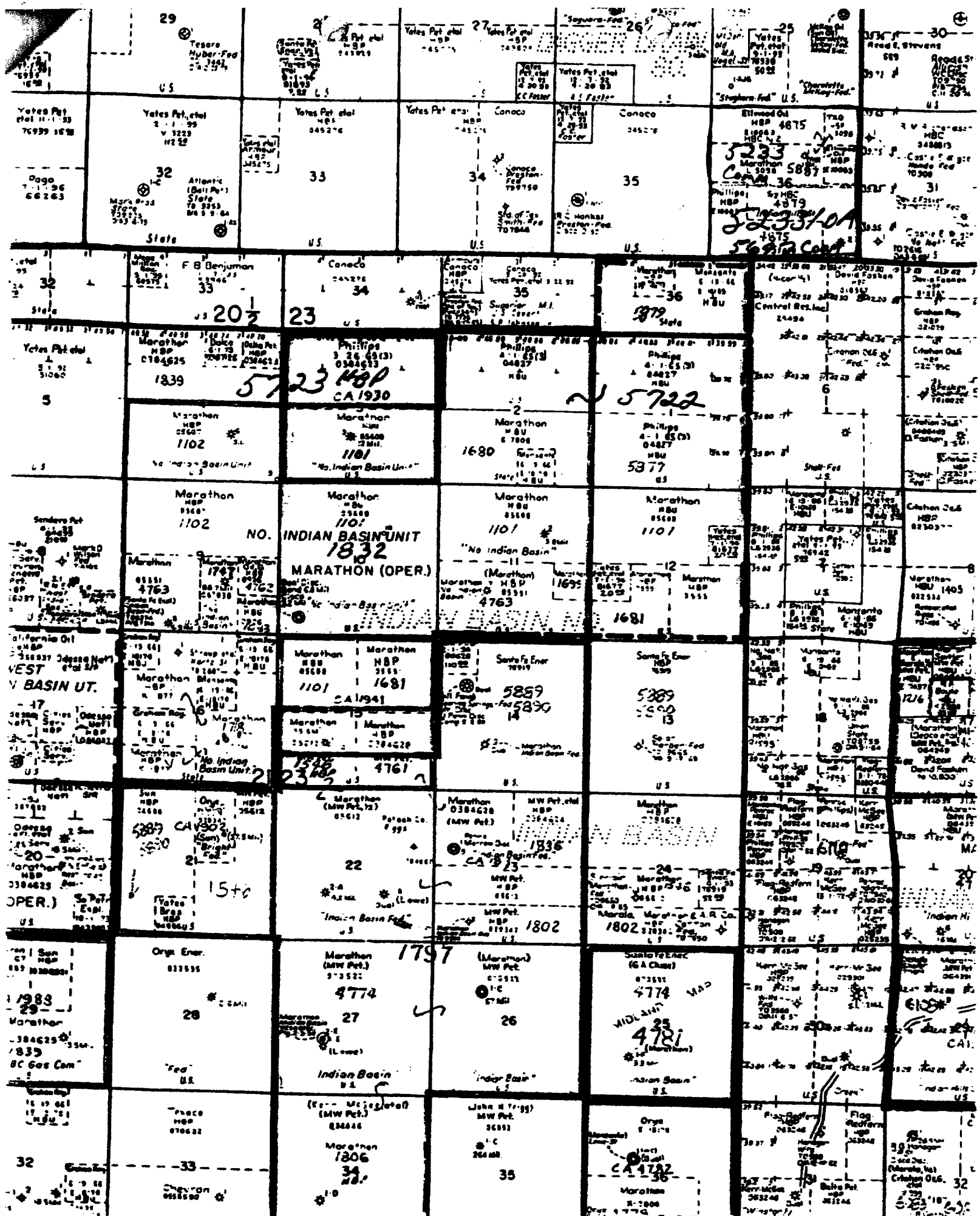
The Storage and Measurement facility is located at UNIT Letter "D", Section 1, T-21-S, R-23-E, Eddy County, New Mexico. A satellite separation and measurement facility is located at UL "O", Sec. 2, T-21-S, R-23-E. The BLM will be notified of any change in facility location. Gas is measured using allocation meters. It is then transported to the Indian Basin Gas Plant (SW/NE, Section 23, T-21-S, R-23-E) by pipeline. After processing, the gas and NGLs are metered at the tailgate 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 sold through a LACT unit. All production will be allocated to wells based on monthly well tests and the previously approved methods of lease allocation. The working interest owners have been notified of this commingling proposal by certified mail.

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 amendment will not require the purchase of new equipment, it will only require minor changes in the piping from the well's flowline to the separator.

Signature

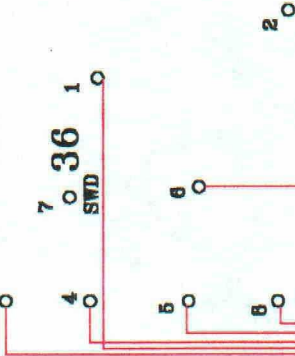


Name: Ginny Larke  
Title: Engineer Technician  
Date: November 3, 1999



R-24-E

Indian Hills State Com  
ST E-10083



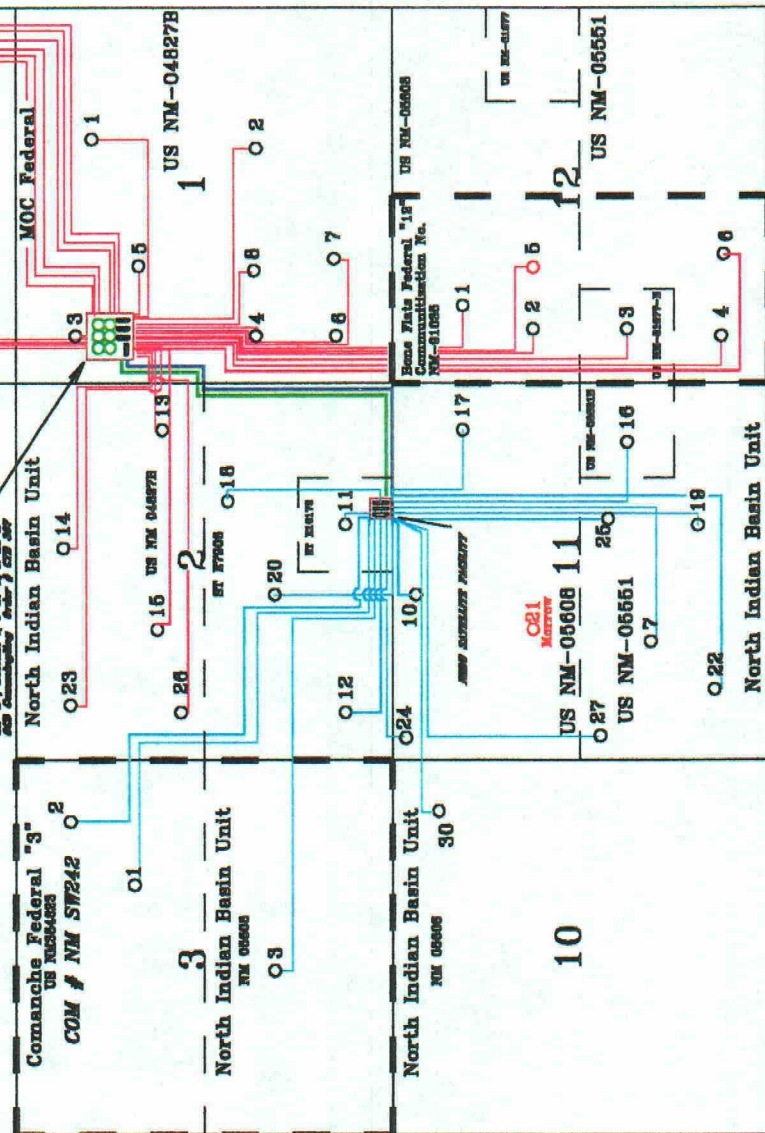
R-23-E

T-20 1/2-S

Stinking Draw

NOT TO SCALE

US 2nd Commanded Post Army  
and 1st Cavalry Div 1st Cavalry Div



T-20-S

INDIAN HILLS STATE COM

- 1 1650' FNL & 1890' FNL SEC 36
- 2 660' FNL & 660' FNL SEC 36
- 3 1380' FNL & 660' FNL SEC 36
- 4 1380' FNL & 660' FNL SEC 36
- 5 1380' FNL & 660' FNL SEC 36
- 6 1380' FNL & 660' FNL SEC 36
- 7 1380' FNL & 660' FNL SEC 36
- 8 1380' FNL & 660' FNL SEC 36

MOC FEDERAL

- 1 990' FNL & 1555' FNL SEC 1
- 2 1380' FNL & 1380' FNL SEC 1
- 3 760' FNL & 660' FNL SEC 1
- 4 1380' FNL & 660' FNL SEC 1
- 5 1380' FNL & 660' FNL SEC 1
- 6 1380' FNL & 660' FNL SEC 1
- 7 1380' FNL & 660' FNL SEC 1
- 8 1380' FNL & 660' FNL SEC 1

BONE FLATS "13" FEDERAL COM

- 1 990' FNL & 990' FNL SEC 18
- 2 1380' FNL & 660' FNL SEC 12
- 3 1380' FNL & 660' FNL SEC 12
- 4 660' FNL & 660' FNL SEC 12
- 5 1380' FNL & 660' FNL SEC 12
- 6 660' FNL & 660' FNL SEC 12
- 7 660' FNL & 660' FNL SEC 12
- 8 660' FNL & 660' FNL SEC 12

STINKING DRAW

- 1 660' FNL & 1555' FNL SEC 36
- 2 990' FNL & 1380' FNL SEC 36
- 3 990' FNL & 1380' FNL SEC 36
- 4 970' FNL & 2076' FNL SEC 36

COMANCHE FEDERAL "3"

- 1 1650' FNL & 1890' FNL SEC 3
- 2 660' FNL & 660' FNL SEC 3

NORTH INDIAN BASIN UNIT

- 7 1650' FNL & 1650' FNL SEC 11
- 10 330' FNL & 2310' FNL SEC 11
- 11 660' FNL & 1380' FNL SEC 2
- 12 660' FNL & 660' FNL SEC 2
- 13 2050' FNL & 660' FNL SEC 2
- 14 660' FNL & 2310' FNL SEC 2
- 15 1380' FNL & 1380' FNL SEC 2
- 16 1380' FNL & 660' FNL SEC 11
- 17 990' FNL & 990' FNL SEC 11
- 18 2310' FNL & 1380' FNL SEC 11
- 19 990' FNL & 1380' FNL SEC 11
- 20 1650' FNL & 2310' FNL SEC 2
- 22 760' FNL & 990' FNL SEC 11
- 23 760' FNL & 760' FNL SEC 2
- 24 122' FNL & 310' FNL SEC 11
- 25 2310' FNL & 1380' FNL SEC 11
- 26 2310' FNL & 660' FNL SEC 2
- 27 2340' FNL & 990' FNL SEC 11
- 30 660' FNL & 660' FNL SEC 10

NORTH INDIAN BASIN UNIT GAS COM

- 3 1650' FNL & 2310' FNL SEC 3

Communication Boundary Line

Lease Line

MOC Facility Gathering Line

NIHU Satellite Gathering Line

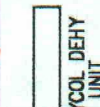
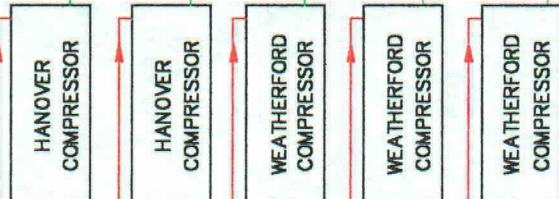
NIHU Satellite to MOC Oil Line

NIHU Satellite to MOC Water Line



# MOC CENTRAL PRODUCTION FACILITY

760' FNL; 660' FWL  
Sec. 1; T-21S; R-23E  
EDDY COUNTY, NEW MEXICO



GAS SALES  
TO IBGP

HEATER  
TREATERS

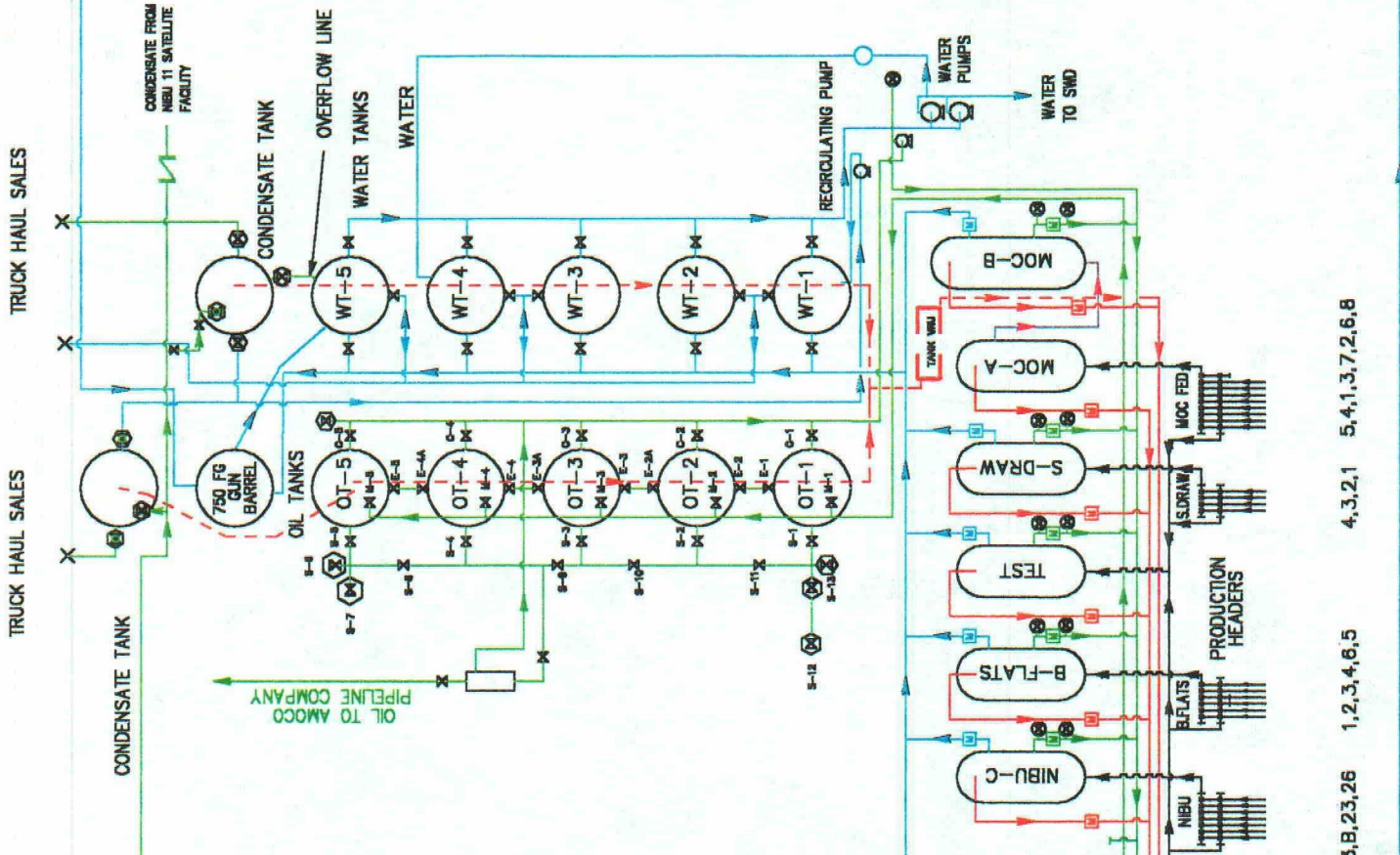
FROM INDIAN HILLS  
STATE COM. WELLS

FROM NIBU 11 GATHERING FACILITY

HORIZONTAL  
TREATER



This facility is subject to  
the Site Security Plan for  
the Indian Basin Field. The  
plan is located at:  
Marathon Oil Co.  
328 Marathon Rd.  
Lakewood, NM 88258

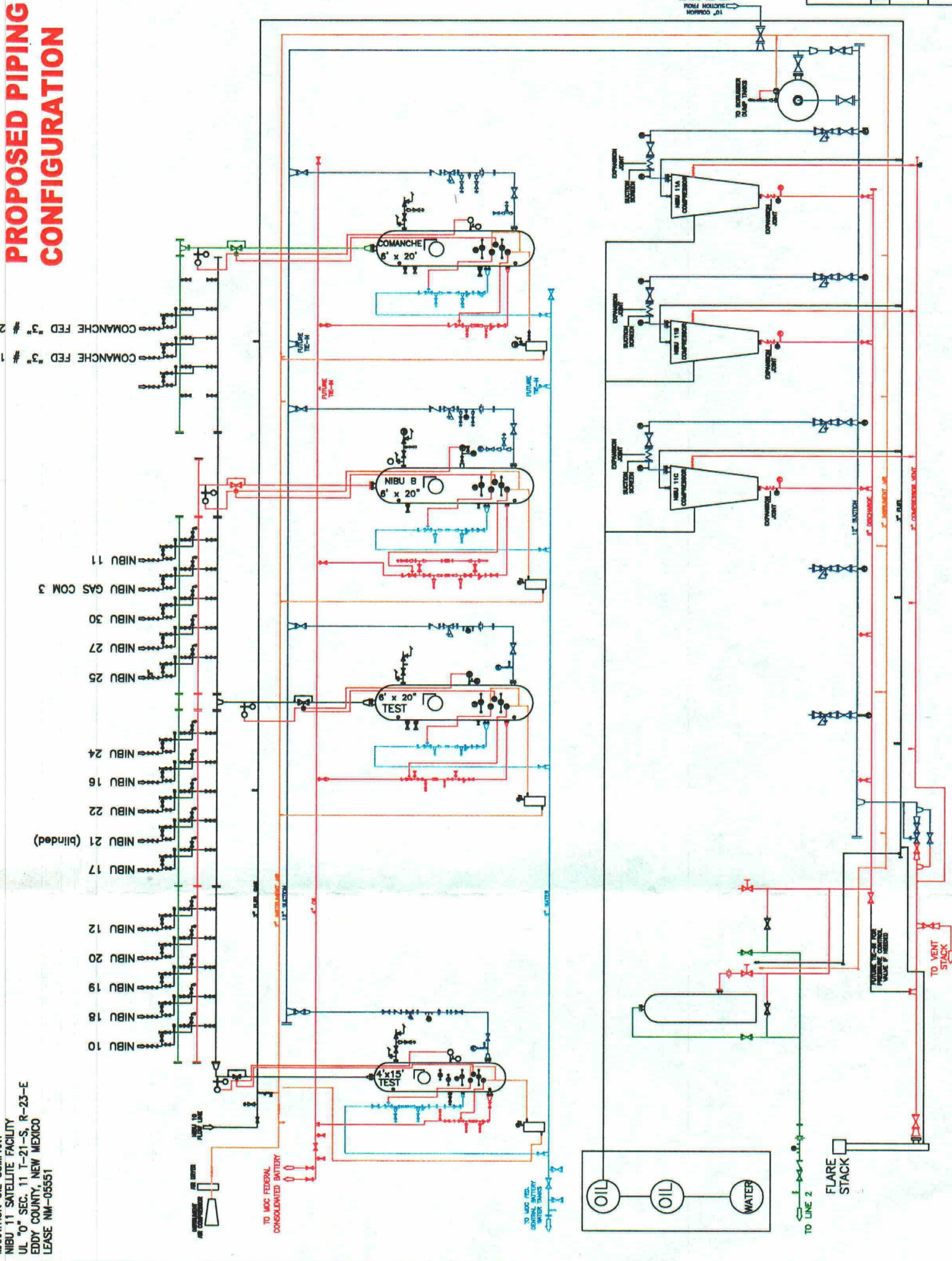



7,15,14,13,B,23,26    1,2,3,4,6,5    4,3,2,1    5,4,1,3,7,2,6,8



ED "3" # 1  
ED "3" # 2

MARATHON OIL COMPANY  
NIBU 11 SATELLITE FACILITY  
UL "O" SEC. 11 T-21-S, R-23-E  
EDDY COUNTY, NEW MEXICO  
LEASE NM-05551

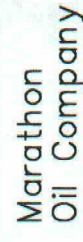


	<h1>Marathon Oil Company</h1>		MID-CONTINENT REGION	
	<h2>ATTACHMENT TO PROPOSAL TO AMEND PIC-124</h2>		COVER SHEET NIBU11FC.DWG	SHEET NO. 1
<h3>INDIAN BASIN FIELD</h3>		COVER SHEET NIBU11FC.DWG	COVER SHEET NIBU11FC.DWG	SHEET NO. 1
<h3>NIBU 11 SATELLITE FACILITY</h3>		COVER SHEET NIBU11FC.DWG	COVER SHEET NIBU11FC.DWG	SHEET NO. 1
<h3>EDDY COUNTY, NM</h3>		COVER SHEET NIBU11FC.DWG	COVER SHEET NIBU11FC.DWG	SHEET NO. 1



NIBU 11 SATELLITE FACILITY  
UL "0" SEC. 11 T-21-S, R-23-E  
EDDY COUNTY, NEW MEXICO  
LEASE NM-05551

MARATHON OIL COMPANY  
NIBU 11 SATELLITE FACIL  
UL "O" SEC. 11 T-21-S  
EDDY COUNTY, NEW MEXI  
LEASE NM-05551



FACILITY DESCRIPTION:	ATTACHMENT TO PROPOSAL TO AMEND PLC-124				CONTRACTOR NAME:	NIBU11FC.DWG
	INDIAN BASIN FIELD NIBU 11 SATELLITE FACILITY EDDY COUNTY, NM					
SCALE	DATE 11/7/08	PROJECT NAME	DATE 10/1/08	DATE 10/1/08	DATE 10/1/08	DATE 10/1/08
DESIGN	DATE	PROJECT NAME	DATE	DATE	DATE	DATE
CHECK	DATE	PROJECT NAME	DATE	DATE	DATE	DATE
APPV.	DATE	PROJECT NAME	DATE	DATE	DATE	DATE