

Mid-Continent Region
Production United States



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

January 18, 1999

New Mexico Oil Conservation Division
Attn: Mr. Ben Stone
2040 South Pacheco
Santa Fe, NM 87505

EGE

JAN 21 1999

RE: Indian Basin "A" Well No. 1
Application to commingle production

Dear Ben:

Per our phone conversation of Friday, January 15, 1999, please find enclosed the corrected application to surface commingle production of the well mentioned above with the production from the Indian Basin C #1 and #2 wells. If you have any further questions, or if you need any other data, please do not hesitate to call me at 915-687-8449, or e-mail me at vllarke@marathonoil.com. I apologize for any inconvenience my oversight may have caused.

Sincerely,

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

Ginny Larke
Engineer Technician

m: wperfect ibal amnd.wpd

Attachments

CTB

2/3/99

Mid-Continent Region
Production United States

482



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

December 30, 1998

New Mexico Oil Conservation Division
Attn: Mr. Ben Stone
2040 South Pacheco
Santa Fe, NM 87505

RECEIVED

JAN 14 1999

NEW MEXICO OIL CONSERVATION DIVISION

RE: Indian Basin "A" Well No. 1

Dear Mr. Stone:

Marathon Oil Company requests authorization to commingle the hydrocarbon production from the Indian Basin "A" No. 1 in Section 22, T-21-S, R-23-E, with the other production that is stored and sold at the Indian Basin Gas Plant. The production from this well, Lease No. NM-05612-A, will be transported to a separator at the satellite separation facility, UL "F" of Section 26, T-21-S, R-23-E as shown on the attached drawings. This well was recently reactivated and produces from the Upper Penn zone. The separator measures the production from this well only. The gas and liquid hydrocarbon production are then transported to the Indian Basin Gas Plant by separate pipelines. After processing, the gas and NGLs are measured and sold at the tailgate of the plant. The liquid hydrocarbon production is sent to a storage tank and then is metered and sold through a LACT Unit.

Attached is a more detailed description of the proposed operation and allocation of production, a map of the area, and flow diagrams of the facilities and equipment involved. If you have any questions, please call me at 915-687-8449 or e-mail me at vllarke@marathonoil.com.

Sincerely,

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

Ginny Larke
Engineer Technician

m: wperfect iba#1oed.wpd

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.

NM-05612-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

INDIAN BASIN A #1

9. API Well No.

30-015-00034

10. Field and Pool, or Exploratory Area

INDIAN BASIN UPPER PENN GAS POOL

11. County or Parish, State

EDDY NM

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

3b. Phone No. (include area code)

915-682-1626

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

**UL "J" 1650' FSL & 1650' FEL
SECTION 22, T-21-S, R-23-E**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>COMMINGLE.</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>OFF-LEASE MEASMT.</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 recomplete 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 recompletion 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, commingling, and sales of gas.

Production is sent from the wellhead to a separator located at UL "F" of Section 26, T-21-S, R-23-E. Both liquid hydrocarbons and gas are measured and then transported to Marathon's Indian Basin Gas Plant by separate pipelines. The general routing of these pipelines is shown on the attached map.

Turbine meters or metering separators will be used for the Alternate Method of Metering for liquid hydrocarbons per prior approvals.

A form is attached which further explains this operation.

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

Ginny Larke

Ginny Larke

Title

Engineer Technician

Date

12/30/98

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.

**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 A : NM 05612-A SECTION 22, T21S, R23E
FORMATION UPPER PENN**

Well No.	UL	BOPD	API Grav 60°F	MCFD	API NO.
1	J	20	61.6	2,458	30-015-00034

This production will be commingled with the hydrocarbon production from the Indian Basin Upper Penn Gas Pool from the following wells, located in Section 26, Township 21 South, Range 23 East:

Lease Name	API #	UL	BOPD	MCFD	API°
Indian Basin C #1	30-015-10332	F	1	983	60
Indian Basin C #2	30-015-28167	M	0	757	N/A

The proposed operation is described in detail on the attached diagrams. A map is enclosed showing the lease numbers and 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 the Indian Basin Gas Plant, Unit Letter “G”, Section 23, T-21-S, R-23-E, Eddy County, New Mexico. The BLM will be notified of any change in facility location. The production is sent from the wellhead to a 3-phase separator located at a satellite separation facility, Unit Letter “F”, Section 26, T-21-S, R-23-E. Gas production is measured using allocation meters. It is then transported to the Indian Basin Gas Plant via 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. Liquid hydrocarbon production is then sent to the Indian Basin Gas Plant for further processing. It is sold through a LACT Unit at the plant. The water production is injected into various disposal wells per prior approvals. All production will be allocated to wells based on monthly well tests and the previously approved methods of 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

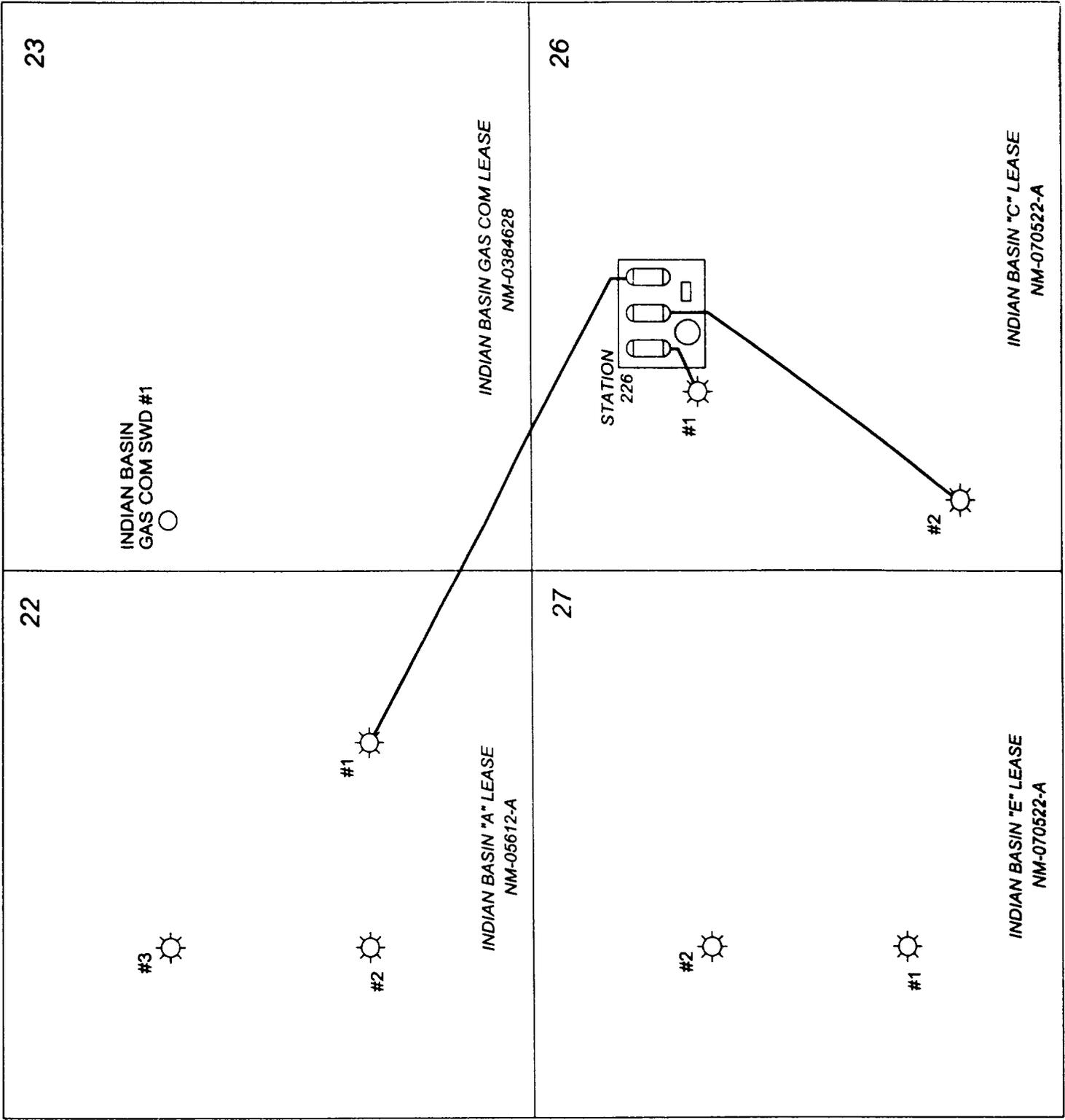
A handwritten signature in black ink, appearing to read 'Kirk W. Spilman', written in a cursive style.

Name: Kirk W. Spilman for K. W. Tatarzyn

Title: Indian Basin Asset Team Manager

Date: December 30, 1998

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



**ATTACHMENT TO APPLICATION
 FOR SURFACE COMMINGLE, OFF
 LEASE MEASUREMENT, STORAGE,
 AND SALES, AND ALTERNATIVE
 MEASUREMENT METHOD FOR
 INDIAN BASIN "A" WELL #1 AND
 INDIAN BASIN "C" WELLS #1 & 2**

**FILENAME: M:\ACADDWG\SIACADLT\T226MAP.dwg
 DATE: 12/30/98
 BY: GINNY LARKE**

<p>Pet etal 1839</p>	<p>HBP 0384625 1839</p>	<p>Phillips 3 26 65(3) 0384623 5723 HBP CA1930</p>	<p>Phillips 4 1 65(3) 04827 HBU</p>	<p>Phillips 4 1 65(3) 04827 HBU ~ 5722</p>
<p>Marathon HBP 05600 1102</p>	<p>Marathon HBP 05600 1102</p>	<p>Marathon HBU 05600 1101 "No Indian Basin Unit"</p>	<p>Marathon HBU 05600 1680</p>	<p>Phillips 4 1 65(3) 04827 HBU 5377 US</p>
<p>Marathon HBP 05600 1102</p>	<p>Marathon HBU 05600 1101 NO. INDIAN BASIN UNIT 1832 MARATHON (OPER.)</p>	<p>Marathon HBU 05600 1101 "No Indian Basin"</p>	<p>Marathon HBU 05600 1681</p>	<p>Marathon HBU 05600 1101 Yates Pet. etal 7 1 94 01677 20 00</p>
<p>Marathon HBP 05600 1102</p>	<p>Marathon HBP 05600 1101 1681</p>	<p>Marathon HBP 05600 1681</p>	<p>Santa Fe Ener HBP 76919 5289 5377 14</p>	<p>Santa Fe Ener HBP 76919 5300 5300 13</p>
<p>Marathon HBP 05600 1101</p>	<p>Marathon HBP 05600 1101</p>	<p>Marathon HBP 05600 1101</p>	<p>Marathon HBP 05600 1101</p>	<p>Marathon HBP 05600 1101</p>
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