



April 27, 1999

Engineering Department
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Commingling Order PLC-152
1st Amendment

I have reviewed the amended copy of the above order. The amended order should include the three pools as set forth in the original Commingling Order PLC-152 dated February 8, 1999, and **add** the additional Red Tank-Bone Spring (51683) Pool.

The March 31, 1999 request for the Prohibition Federal Unit, Well #3 to be placed in the Red Tank-Bone Spring Pool reflected the recent Hobbs OCD district office decision for that well only. The Red Tank-Bone Spring (51683) Pool was another pool to be added to the referenced commingling order. It did not replace the West Red Tank-Delaware (51689) pool.

Please accept my apology if the request was not clearly stated. Should you have any questions, please do not hesitate to call Dorothea Logan at (915) 684-7441.

Sincerely,

A handwritten signature in cursive script that reads "Dorothea Logan".

Dorothea Logan
Regulatory Analyst
Maralo, LLC

C:\MyFiles\NM AMEND COMMINGLING ORDER.1.wpd

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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

5. Lease Serial No.
NM-85937, NM-64606, NM-85933

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM-84611B, NMNM-85327
ut, com.

8. Well Name and No.
SEE ATTACHED

9. API Well No.
SEE ATTACHED

10. Field and Pool, or Exploratory Area
SEE ATTACHED

11. County or Parish, State
LEA COUNTY, NEW MEXICO

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MARALO, LLC

3a. Address
P. O. BOX 832, MIDLAND, TX 79702

3b. Phone No. (include area code)
(915) 684-7441

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

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 OFF LEASE MEASUREMENT, STORAGE & SURFACE COMMINGLING
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 site is ready for final inspection.)

PLEASE SEE ATTACHED APPLICATION FORMAT WITH ACCOMPANYING SCHEMATICS AND MAP FOR SURFACE COMMINGLING, OFF LEASE STORAGE AND MEASUREMENT APPROVAL.

RECEIVED
SEP 11 2000
RESERVATION DIVISION

APPROVED
PETER W. CHESTER
SEP 1 2000
BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

SEP 21 10 21 P 3 09

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
DOROTHEA LOGAN

Signature *Dorothea Logan*

Title
REGULATORY ANALYST

Date
AUGUST 18, 2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

Office _____

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

MARALO, LLC (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM-85937, NM-64606 ; Lease Name: PROHIBITION FEDERAL UNIT

	<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
Lease. NM85937	1	1980' FNL & 660' FNL	12	22S	32E	BOOTLEG RIDGE; DELAWARE, NM
Lease. NM64606	3	1980' FNL & 990' FEL	12	22S	32E	RED TANK; BONE SPRING
LA #NM85937	4	2310' FNL & 1980' FEL	14	22S	32E	RED TANK; DELAWARE, W.
LA #NM84606	6	2310' FNL & 990' FEL	14	22S	32E	RED TANK; DELAWARE, W.

with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. NM-85933 ; Lease Name: BILBREY "34" FEDERAL
CA #NM85327

	<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
	1	1980' FNL & 660' FNL	34	21S	32E	BILBREY; MORROW

Production from the wells involved is as follows:

<u>API NO.</u>	<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
30-025-31137	PROHIBITION FED UT #1	10	40.9	12
30-025-32142	PROHIBITION FED UT #3	7	40.0	22
30-025-32758	PROHIBITION FED UT #4	8	40.6	13
30-025-32760	PROHIBITION FED UT #6	12	40.6	29
30-025-31120	BILBREY "34" FED #1	0	-0-	59

Continued ...

Continued:

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 proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

PROHIBITION FED UT #4

The storage and measuring facility is located at SW4 NE-1/4, Sec. 14, T. 22 S, R. 32 E, on lease No. M-85937, LEA County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

PRODUCTION FROM EACH LEASE IS SEPARATELY METERED PRIOR TO COMMINGLING IN ACCORDANCE WITH BLM APPLICABLE PROVISIONS.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

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

Signature: 

Name: DOROTHEA LOGAN

Title: REGULATORY ANALYST

Date: AUGUST 17, 2000

PROHIBITION FEDERAL UNIT BATTERY (LOCATED AT WELL #4)

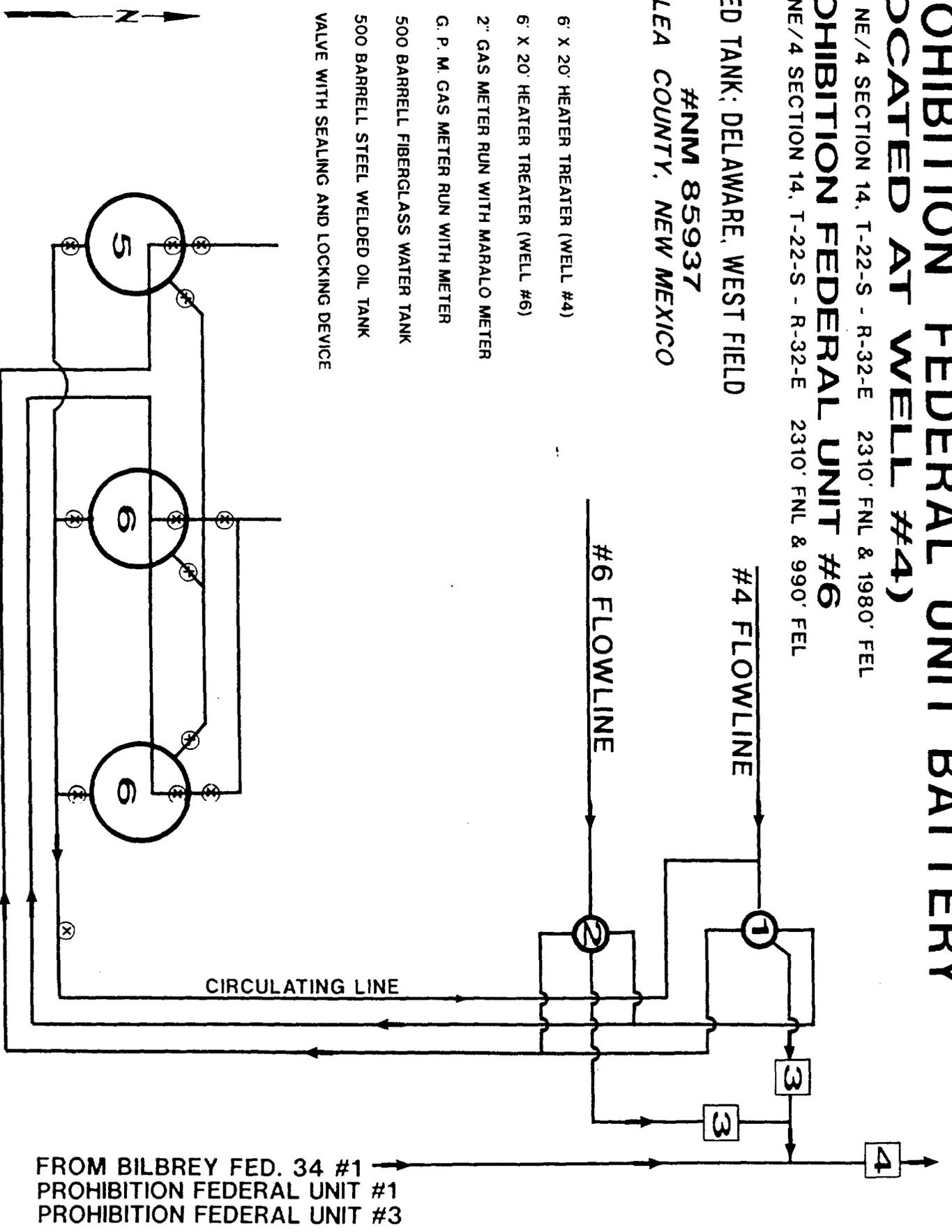
SW/4 NE/4 SECTION 14, T-22-S - R-32-E 2310' FNL & 1980' FEL

PROHIBITION FEDERAL UNIT #6

SE/4 NE/4 SECTION 14, T-22-S - R-32-E 2310' FNL & 990' FEL

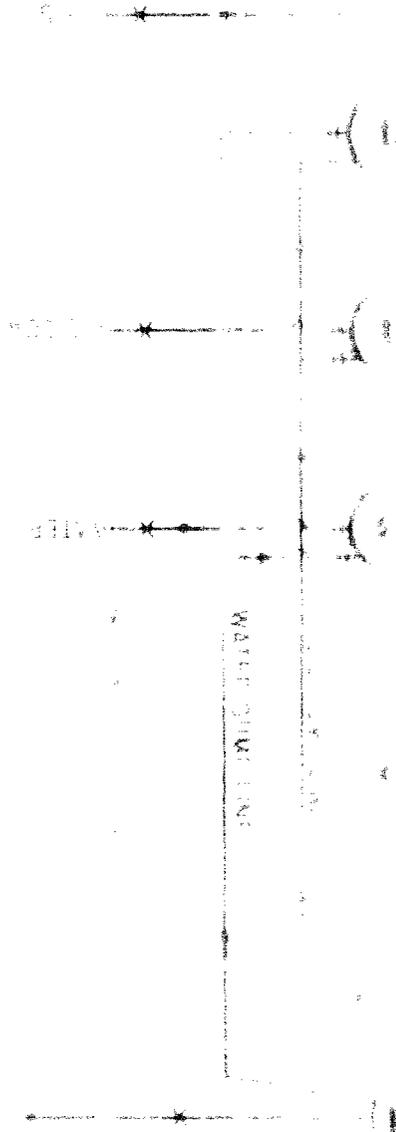
RED TANK: DELAWARE, WEST FIELD
#NM 85937
LEA COUNTY, NEW MEXICO

1. 6' X 20' HEATER TREATER (WELL #4)
2. 6' X 20' HEATER TREATER (WELL #6)
3. 2" GAS METER RUN WITH MARALO METER
4. G. P. M. GAS METER RUN WITH METER
5. 500 BARRELL FIBERGLASS WATER TANK
6. 500 BARRELL STEEL WELDED OIL TANK
- (X) VALVE WITH SEALING AND LOCKING DEVICE



FROM BILBREY FED. 34 #1
PROHIBITION FEDERAL UNIT #1
PROHIBITION FEDERAL UNIT #3

10/10/10

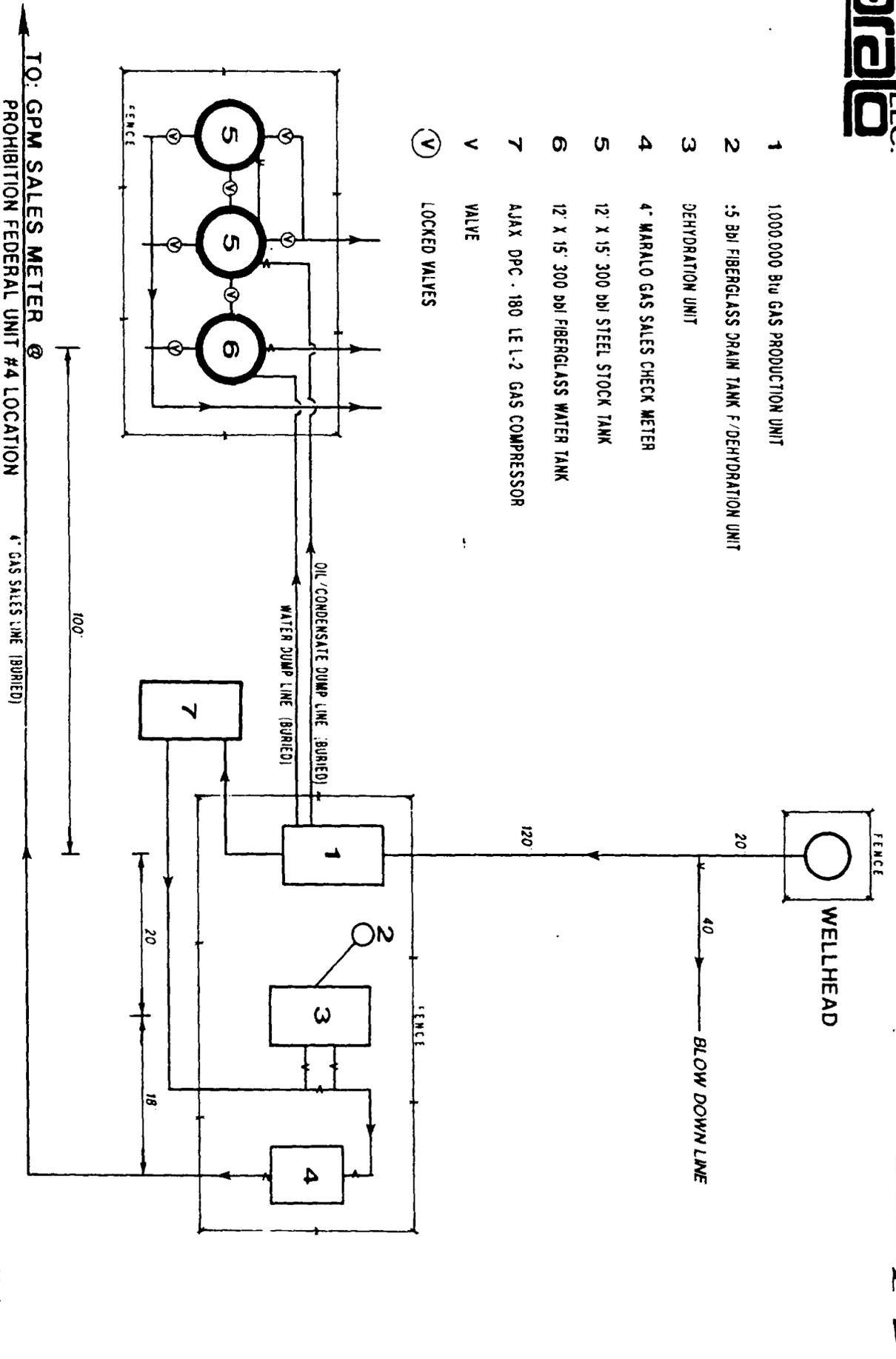


SECTION 12 T-2
 6807 FN 8
 NM#85

DEVELOPMENT FEI
 HORTON RIDGE DEL

10

- 1 1000 000 Btu GAS PRODUCTION UNIT
- 2 5 DBI FIBERGLASS DRAIN TANK F/DEHYDRATION UNIT
- 3 DEHYDRATION UNIT
- 4 MARALO GAS SALES CHECK METER
- 5 12' X 15' 300 DBI STEEL STOCK TANK
- 6 12' X 15' 300 DBI FIBERGLASS WATER TANK
- 7 AJAX DPC . 180 LE L-2 GAS COMPRESSOR
- V VALVE
- (V) LOCKED VALVES



BILBREY 34 FED. #1

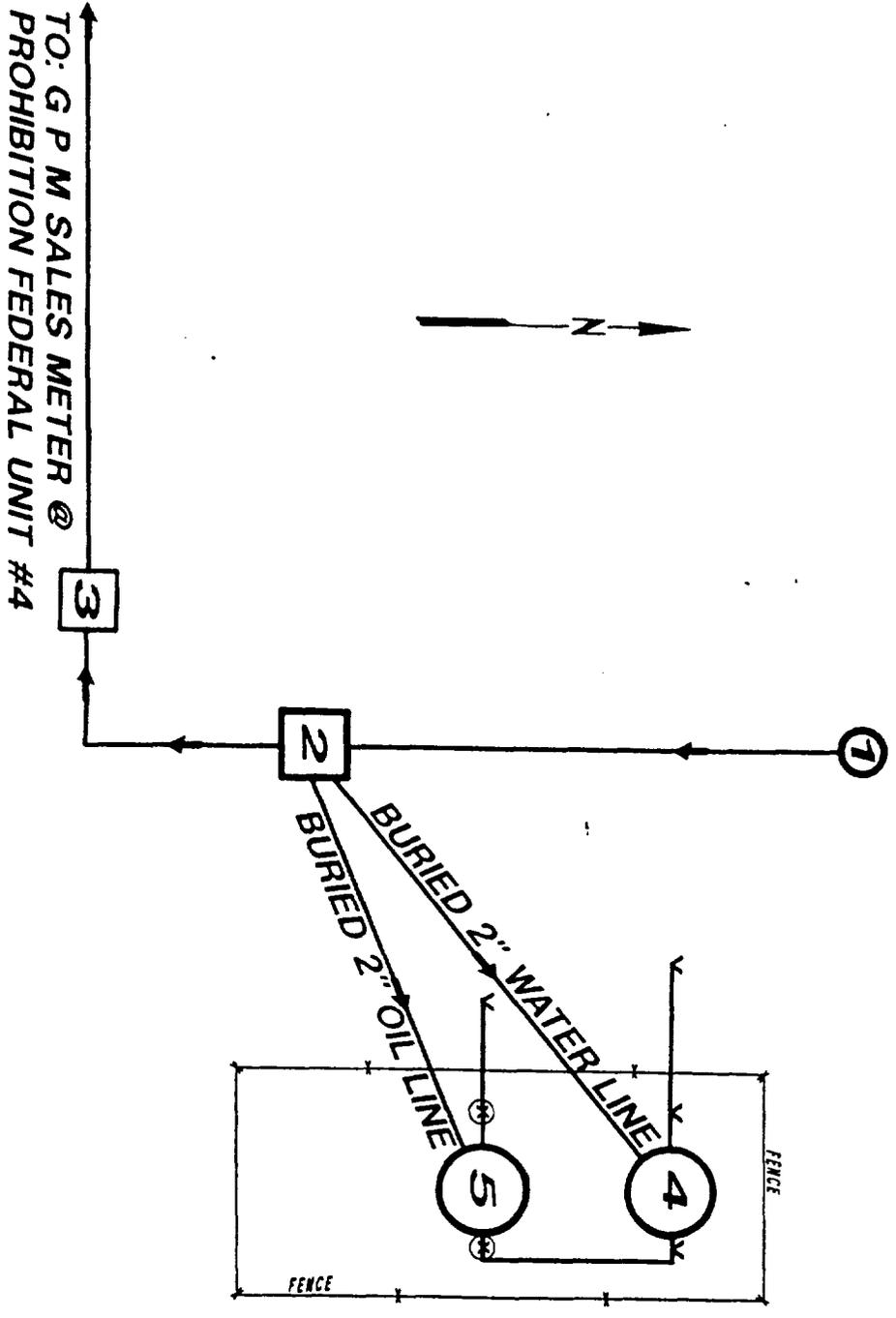
BILBREY (MORROW) FIELD
 LEA COUNTY, NEW MEXICO
 NM #89599 85933
 SECTION 34 - T-21-S-R-32-E
 660 FNL & 1980 FWL

PROHIBITION FEDERAL UNIT #3

NM#64606

1980' FNL & 990' FEL, SECTION 12, T-22-S - R-32-E

RED TANK: BONE SPRING
LEA COUNTY, NEW MEXICO



- 1. WELLHEAD
- 2. GAS PRODUCTION UNIT
- 3. METER RUN
- 4. 210 BARREL FIBERGLASS WATER TANK
- 5. 300 BARRELL STEEL OIL TANK
- V VALVE
- (X) VALVE WITH LOCKOUT DEVICE

TO: G P M SALES METER @
PROHIBITION FEDERAL UNIT #4



NOT TO SCALE
JAN., 1999

<p>21 32</p> <p>Midland</p> <p>Southwest</p> <p>Phillips</p> <p>2002</p> <p>Burlington</p> <p>Amoco</p> <p>2515 HBP</p> <p>U.S.</p>	<p>19</p> <p>Lincoln Unit (OPER.)</p> <p>Phillips</p> <p>055668</p> <p>3 1 75</p> <p>2 1 2001</p> <p>VA 1468</p> <p>6 728</p> <p>Southwest</p>	<p>20</p> <p>2</p> <p>Santa Fe Ener.</p> <p>HBC</p> <p>52</p> <p>U.S.</p>	<p>22</p> <p>1</p> <p>Phillips</p> <p>5 1 75</p> <p>10 2601</p> <p>Phillips</p> <p>5 1 75</p> <p>U.S.</p>	<p>23</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>6 1 2005</p> <p>U.S.</p>	<p>24</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>25</p> <p>2</p> <p>L. Dreyfus Nat. Gas</p> <p>Phillips</p> <p>66145</p> <p>3 1 96</p> <p>U.S.</p>	<p>26</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>27</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>28</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>29</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>30</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>31</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>32</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>33</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>34</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>35</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>36</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>37</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>38</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>39</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>40</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>41</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>42</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>43</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>44</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>45</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>46</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>47</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>48</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>49</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>	<p>50</p> <p>2</p> <p>Santa Fe Ener.</p> <p>Phillips</p> <p>94849</p> <p>U.S.</p>
---	--	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---