

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.*

**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 3487 Houston, Texas 77253-3487**

3b. Phone No. (include area code)  
**713-296-2096**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**UL 'H' Sec 18 , T 20 S, R 29 E**

RECEIVED

MAR 15 2004

OCD-ARTESIA

5. Lease Serial No.

**NM 01165**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

**Yates Federal**

**# 4**

9. API Well No.

**30-015-21068**

10. Field and Pool, or Exploratory Area

**Burton Flat Morrow**

11. County or Parish, State

**Eddy**

**NM**

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

TYPE OF SUBMISSION

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

TYPE OF ACTION

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                     |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                     |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>Please see</u> |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <u>details below</u>  |
| <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 final site is ready for final inspection.)

**Marathon Oil Company requests approval for the commingling gas production from the above well, Yates Federal #4, with gas production from the Yates Federal Com # 1 Lease NM 104028 UL'N' Sec 8, T 20 S, R 29 E.**

**Marathon also wishes to request approval for alternate method of measurement for the these wells. We propose to measure gas production through use of FloBoss meters at the well locations to be used to allocate production to each well.**

**In addition Marathon request's approval for a change of sales point for the two wells. The new sales point will be located in UL 'E' Sec 9, T 20 S, R 29 E. This sales meter is to Duke Energy. Re-routing the gas stream from these wells allows Marathon to sell the gas from the Morrow completions as sweet with an increase in price per Mcf.**

**All interest and royalty interest owners in these wells were sent notice of commingling on 01/21/2004. A list of owners is attached with this sundry.**

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS ATTACHED

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

**Charles Kendrick**

Title

**Engineer Technician**

Date **01/21/2004**

*Charles E. Kendrick*

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**(ORIG. SGD.) ALEXIS C. SWOBODA**

**PETROLEUM ENGINEER**

Date

**MAR 10 2004**

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

Office

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

## **ATTACHMENT LIST**

1. Notification letter to Interest owners.
2. Copy of interest owner list.
3. Copy of the letter to NMOCD (Mr. Will Jones) requesting permission to commingle gas.
4. Copy of plat for the gas flow on the leases prior to changes made on May 30, 2001.
5. Copy of plat for the gas flow on the leases after May 30, 2001



**Marathon  
Oil Company**

P.O. Box 3487  
Houston, TX 77253-3487  
Telephone 713/629-6600

January 20, 2004

Working and Royalty Interest Owners  
(Mailing List Attached)

Re: Commingling Yates Federal Com # 1 and Yates Federal # 4 Gas

Ladies and Gentlemen,

Marathon Oil Company is proposing to commingle gas production from the Yates Federal Com # 1 and the Yates Federal # 4. Gas Sales for each well will be determined by allocation based upon a Flo Boss electronic meter located at each well. The sales meter for these two wells will be located at UL 'E', Sec 9, T 28 S, R 29 E.

The purposed of this change is in order to take advantage of Duke Energy's more favorable price for the Morrow sweet gas. This change will enable Marathon to sell the gas at \$1.30 more per Mcf than the current contract.

Our records indicate that you are an interest owner in one of the subject leases/wells, and as such, pursuant to New Mexico Oil Conversation 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 a 713-296-2096. Your prompted attention to this matter will be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Charles E. Kendrix".

Charles Kendrix  
Engineer Technician

Approved this \_\_\_\_ day of \_\_\_\_\_, 2004

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name (if applicable) \_\_\_\_\_

\_\_\_\_\_



P.O. Box 3487  
Houston, TX 77253-3487  
Telephone 713/629-6600

January 20, 2004

Mr. Will Jones

Re: Commingling Yates Federal Com # 1 and Yates Federal # 4 Gas

Mr. Jones on 05/30/01 Marathon switched the produced gas from the Yates Federal Com # 1 and the Yates Federal # 4 to a sweet gas line going to Duke Energy Field Service. A new C-104 for a new POD was filed by Marathon, but our field personnel did not recognize the need for a commingle permit at the time, thus an application to commingle production was never filed. This error was brought to our attention on January 9<sup>th</sup>, 2004 by Mr. Jim Amos of the BLM's Carlsbad office. In trying to rectify the error Marathon is filing the proposal as described in the sections below.

Marathon Oil Company is proposing to commingle gas production from the Yates Federal Com # 1 and the Yates Federal # 4. Gas sales for each well will be determined by allocation based upon a Flo Boss electronic meter located at each well.

Marathon is also requesting permission for off lease sales of gas for these two wells. The sales meter for these two wells will be located at UL 'E', Sec 9, T 28 S, R 29 E.

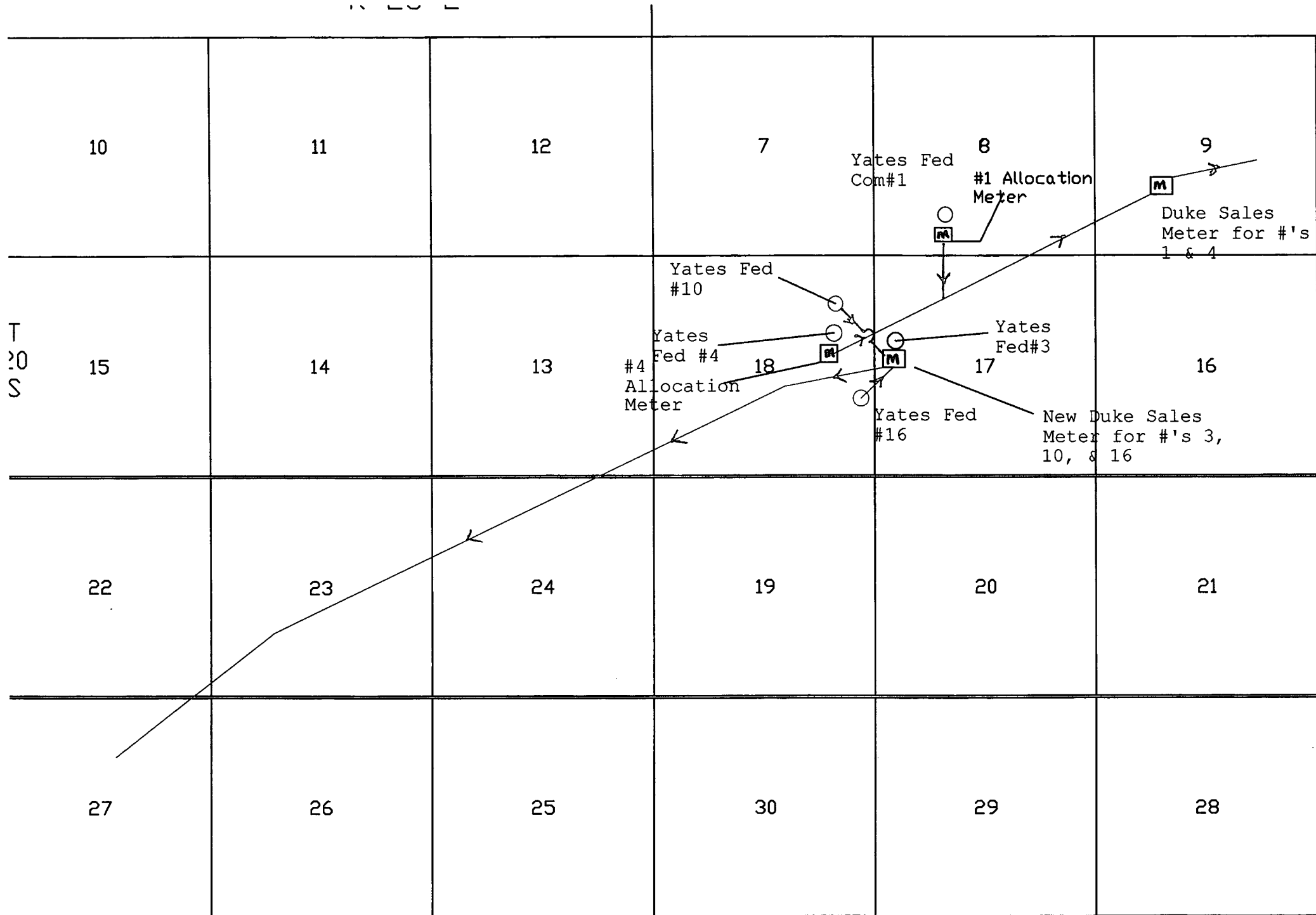
The purposed of this change is in order to take advantage of Duke Energy Services' higher price paid for the Morrow sweet gas. This change will enable Marathon to sell the gas at \$1.30 more per Mcf than the current contract.

The working interest , royalty interest, and over-ride royalty interest owners on the two leases/ wells were sent notice of Marathon's intent on 01/04/21. I am including a attachment list of the documents filed with the BLM , a plat of the pipeline changes, and the owner notification list for these wells.

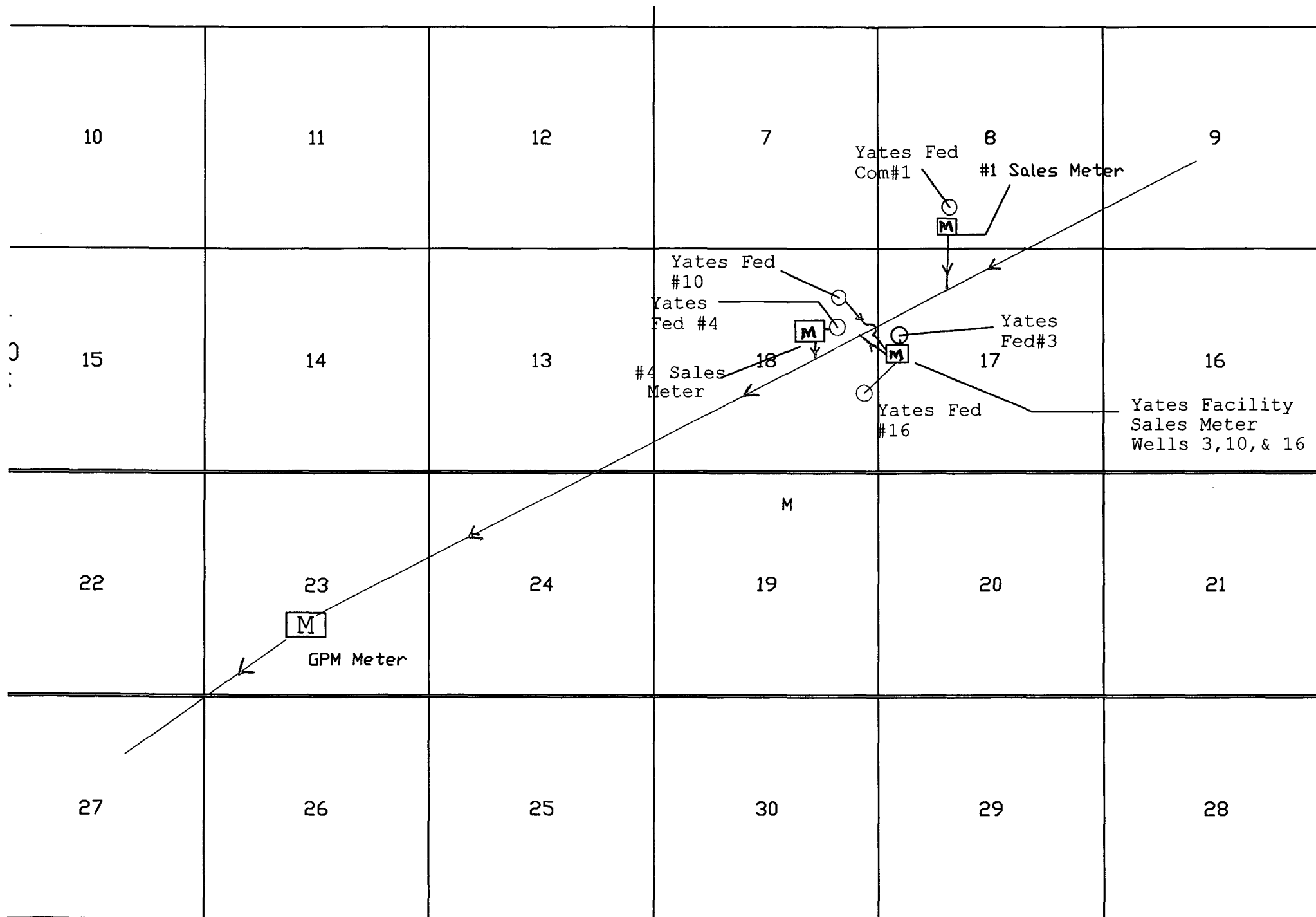
Sincerely,

Charles Kendrix  
Engineering Technician  
Marathon Oil Company  
P.O. Box 3487  
Houston, Texas 77253-3487  
Ph. 713-296-2096





Marathon Oil Company Yates Federal after changes



Marathon Oil Company

Yates Federal Gas Gathering