



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

September 26, 1994

Marathon Oil Company  
P. O. Box 552  
Midland, Texas 79702-0552

Attn: Mr. Robert A. Biernbaum

Re: Application for Surface Commingling and  
Off Lease Storage  
North Indian Basin Unit; Sections 2 & 11, T-21-S, R-23-E  
Stinking Draw Unit; Section 36, T-20 1/2-S, R-23-E  
K-1877, E-10169 & E-10170  
Eddy County, New Mexico

Dear Mr. Biernbaum:

This office is in receipt of your letter of September 12, 1994, wherein you have requested our approval for surface commingling, off lease storage and measurement of the Upper Penn production for the North Indian Basin Unit, Stinking Draw, Moc Federal and Bone Flats Federal 12 wells.

According to your application, it is our understanding that three phase separators will be utilized to separate and meter oil, water and gas prior to delivering the oil, water and gas to the centralized facility.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed request, your application for surface commingling and off lease storage of the production for the above-mentioned wells is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil conservation Division and the Bureau of Land Management.

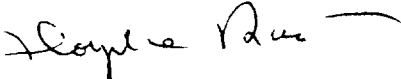
By our letter of August 23, 1994, this office approved the surface commingling of the Indian Hills State Com Lease and the Stinking Draw Lease. Please advise this office when this approval is no longer needed.

Marathon Oil Company  
September 26, 1994  
Page 2

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
RP/FOP/pm

cc: Reader File  
OCD-Santa Attn: Mr. David Catanach, Ben Stone  
North Indian Basin Unit



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

September 6, 1994

Certified Mail  
Return Receipt Requested

Mailing list attached

Re: Off-lease Storage

- Marathon lease NM 1832 - State of New Mexico lease K-1877
- State of New Mexico Lease E-10170-2
- State of New Mexico Lease E-7906-2
- Federal Lease NM-05607
- Federal Lease NM-05608
- Federal Lease NM-05607
- Federal Lease NM-051107
- Federal Lease NM-05551
- Federal Lease NM-05551-A
- Federal Lease NM-05551-B
- Federal Lease NM-051107
- Federal Lease NM-0926
- Federal Lease NM-0926-A
- Federal Lease NM-04827-B
- Marathon Lease NM 5722 - Federal Lease NM-04827-B
- Marathon Lease NM 1718 - State of New Mexico Lease K-1877
- State of New Mexico Lease E-10169
- Marathon Lease Nm 5758 - Federal Lease NM-05551-A
- Federal Lease NM-05608
- Federal Lease NM-81677

Sections 1,2,11,12, T21-S, R-23-E  
36, T20<sub>1/2</sub>-S, R-23-E  
Eddy County, New Mexico

Gentlemen:

Marathon Oil Company is proposing off lease metering and storage of production from the North Indian Basin Unit, Stinking Draw, Bone Flats Federal 12 and MOC Federal wells, with all production being metered prior to commingling. Our records indicate that you are an interest owner in one of the subject wells and as such, pursuant to NMOCD rules and regulations, are required to provide your consent to the proposed commingling of production from the separate leases. Marathon believes that the commingling of production will result in economies of scale that will serve to lower operating cost and benefit all interest owners.

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. Your prompt attention to this matter will be greatly appreciated.

Sincerely,.

A handwritten signature in cursive script, appearing to read 'R.A. Biernbaum'.

R.A. Biernbaum

Indian Basin Business Unit Supervisor

JLP  
CC: T.M. Price  
W.L. Ransbottom

Approved this 6th day of October, 1994

A handwritten signature in cursive script, appearing to read 'Bradley T. Light'.

By: Bradley T. Light  
Title: President  
Company: Wills Royalty, Inc.

Michael Ray Stark  
2001 Wedgewood  
Fort Smith, AR 72903

Deborah Ann Stark Wortham  
Route 2 Box C W 411  
Tuttle, OK 73089

Karen K Stark  
2412 Southeast 59th  
Oklahoma City, OK 73129

Marv Jane Stark Henderson  
347 Hillside Circle  
Burleson, TX 76028

Ray Hobbs  
1312 Alpha  
Carlsbad, NM

Leslie Riggs Mills, Trustee  
Riggs-Mills Irrevocable Family Trust 12/31/92  
P.O. Box 116  
Carlsbad, NM 88220

Eddy Potash Company  
Formerly known as "Potash Company of America"  
P.O. Box 31  
Carlsbad, NM 88221

NOTE → ~~Wills Royalty Company~~ Wills Royalty, Inc.  
P.O. Box 1658  
Carlsbad, NM 88221