

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 - ARTESIA

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 recomplate 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

Title

Engineer Technician

Date 12/30/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date JAN 07 1999

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)

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

CRA BLM FORMAT

**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

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 allocation.

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 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

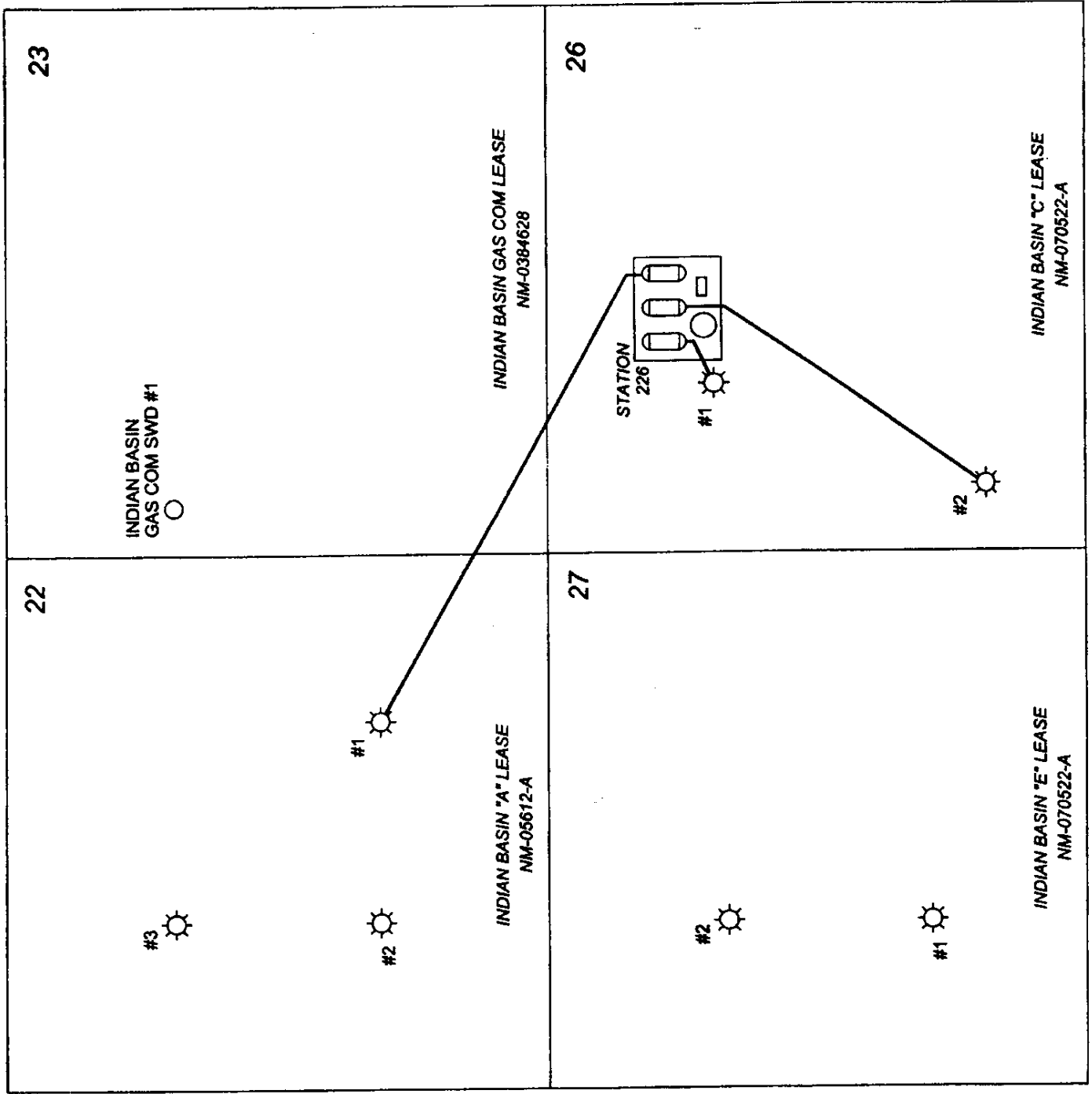
A handwritten signature in black ink, appearing to read 'Kirk W. Spilman', written over a horizontal line.

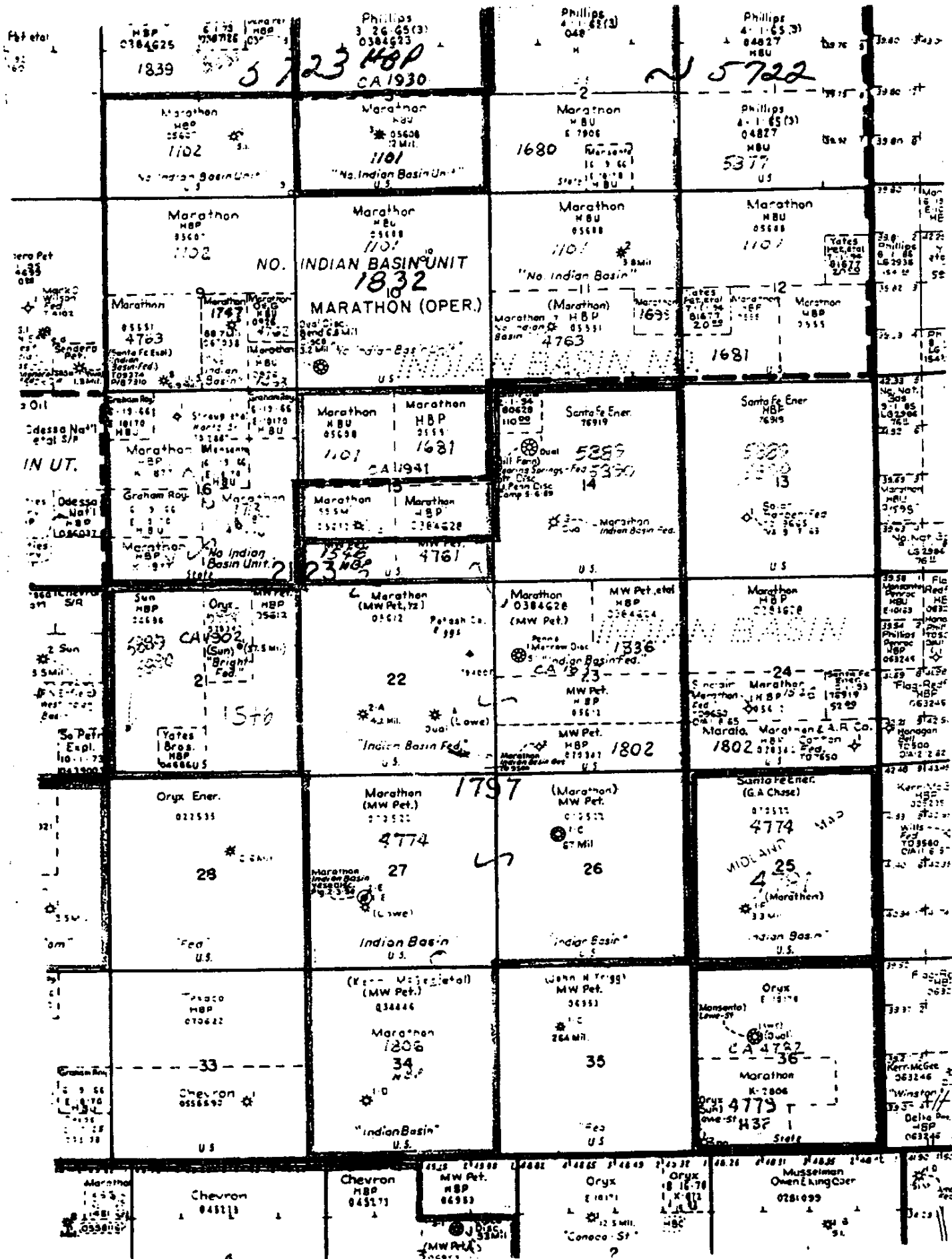
Name: Kirk W. Spilman for K. W. Tatarzyn  
Title: Indian Basin Asset Team Manager  
Date: December 30, 1998

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

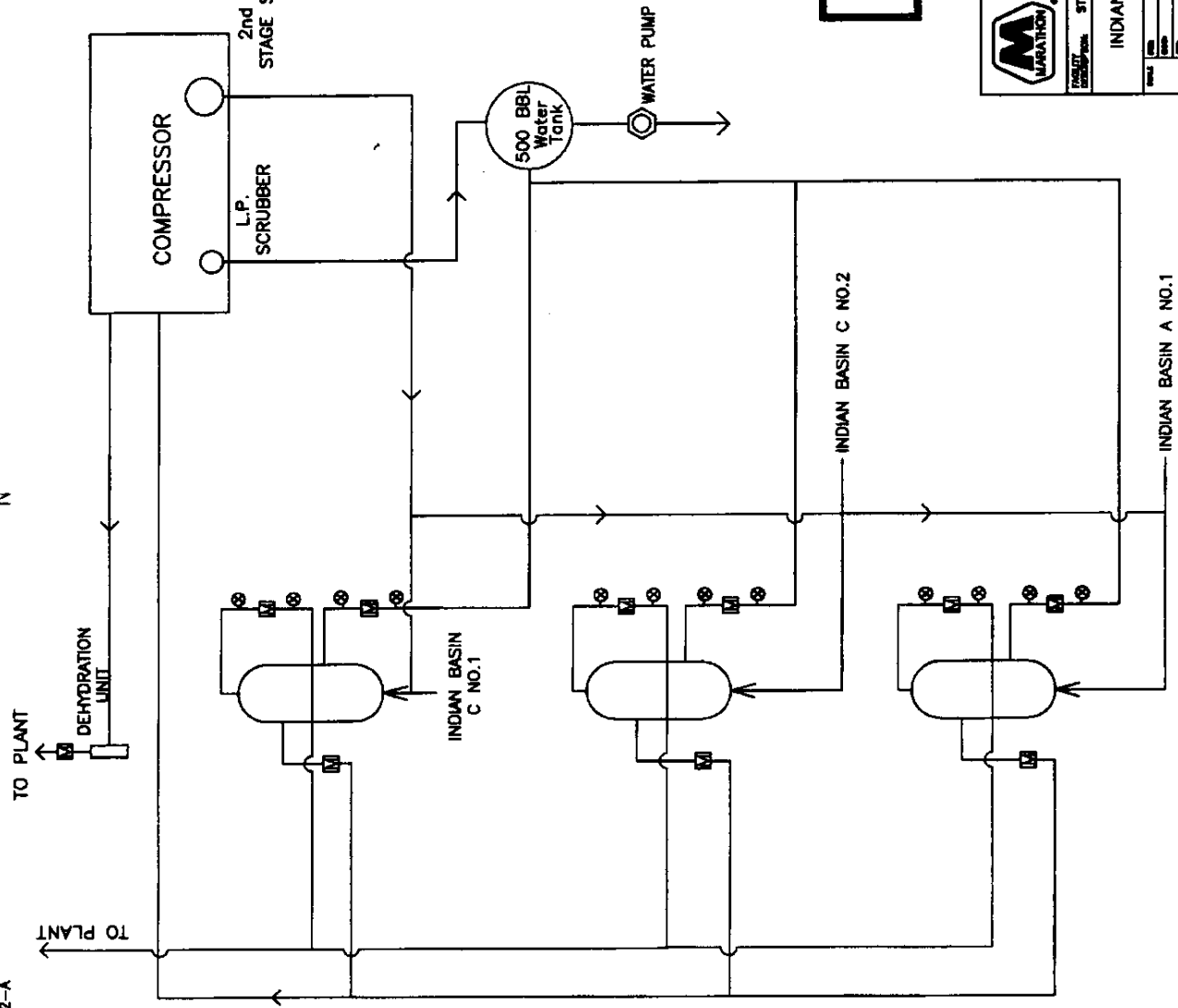
FILENAME: M:\ACAD\DWGS\ACAD\TST228.MAP.dwg  
DATE: 12/30/88  
BY: GINNY LARKE





MARATHON OIL COMPANY  
 INDIAN BASIN "C" #1 & #2 AND  
 INDIAN BASIN "A" #1  
 STATION 226  
 1850' FNL 1850' FWL  
 UL "F" SEC. 26 T-21-S, R-23-E  
 LEASES NM-070522-A AND NM-05612-A

THE FACILITY IS SUBJECT  
 TO THE SITE SECURITY PLAN FOR  
 THE INDIAN BASIN FIELD. THE  
 PLAN IS LOCATED AT:  
 MARATHON OIL CO.  
 329 MARATHON RD.  
 LAKEWOOD, NM 88259



		STATION 226		INDIAN BASIN FIELD	
		INDIAN BASIN "C" #1 & #2 AND "A" #1		EDDY COUNTY, NM	
DATE	TIME	DATE	TIME	DATE	TIME
BY	BY	BY	BY	BY	BY