

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

VM OIL CONS COMMISSION
FORM APPROVED
Drawer 11
Bureau No. 1004-0135
Artesia NM 88210
Expires March 31, 1993

CLSF

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

| | |
|---|--|
| 1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Designation and Serial No. NM-04827-B |
| 2. Name of Operator Marathon Oil Company | 6. If Indian, Allottee or Tribe Name |
| 3. Address and Telephone No. P.O. Box 552, Midland, TX 79702 915/687/8324 | 7. If Unit or CA, Agreement Designation |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description): UL "J", 1980' FSL, 1980' FEL SEC 1, T-21-S, R-23-E | 8. Well Name and No. MOC FEDERAL 2 |
| | 9. API Well No. 30/015/27984 |
| | 10. Field and Pool, or exploratory Area South Dagger Draw: Upper Penn |
| | 11. County or Parish, State Eddy Co., NM |

12. CHECK APPROPRIATE BOX(s) 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"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input checked="" type="checkbox"/> Other Surface Commingle | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion or Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directional, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Marathon Oil Company requests that this well be included in the MOC FEDERAL CONSOLIDATED FACILITY, located in UL "J", Section 1, Township 21-S, Range 23-East, Surface Commingling, Off Lease Measurement and Storage, and the installation and use of a LAOT were approved for the Consolidated Facility on October 5, 1994.

RECEIVED
JUN 13 1995
OIL CON. DIV.
DIST. 2

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

Signed Thomas M Price

Title Advanced Engineering Tech.

Date

(This space for Federal or State office use)

Approved by Greg S. Smith / Don Salas

Title Petroleum Engineer

Date 6/9/95

Conditions of approval, if any:

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 statement or representations as to any matter within its jurisdiction

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING
OFF LEASE STORAGE AND 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, and Off Lease Storage & Measurement of Hydrocarbon Production from the following formation and well(s) on Federal Lease No 04827-B; Lease Name: MOC Federal

| <u>WELL NO.</u> | <u>LOCATION</u> | <u>SEC</u> | <u>TWP</u> | <u>RNG</u> | <u>FORMATION</u> |
|---------------------|---------------------|------------|------------|------------|------------------|
| 1 | 990 FNL & 1855 FEL | 1 | 21-S | 23-E | Upper Penn |
| 3 | 760 FNL & 660 FWL | 1 | 21-S | 23-E | Upper Penn |
| 4 | 1980 FWL & 660 FWL | 1 | 21-S | 23-E | Upper Penn |
| 2 | 1980 FSL & 1980 FEL | 1 | 21-S | 23-E | Upper Penn |
| 5 | 1650 FNL & 1650 FWL | 1 | 21-S | 23-E | Upper Penn |
| 7 | 890 FSL & 1750 FWL | 1 | 21-S | 23-E | Upper Penn |

with Hydrocarbon Production from the following formation(s) and well(s) on Federal Unit Lease # 04827-B, 05551 & 05551-B; Lease Name North Indian Basin Unit.

| <u>WELL NO.</u> | <u>LOCATION</u> | <u>SEC</u> | <u>TWP</u> | <u>RNG</u> | <u>FORMATION</u> |
|---------------------|---------------------|------------|------------|------------|------------------|
| 7 | 1650 FSL & 1650 FWL | 11 | 21-S | 23-E | Upper Penn |
| 13 | 2050 FNL & 660 FEL | 2 | 21-S | 23-E | Upper Penn |
| 10 | 330 FNL & 2310 FWL | 11 | 21-S | 23-E | Upper Penn |
| 14 | 660 FNL & 2310 FEL | 2 | 21-S | 23-E | Upper Penn |
| 16 | 1980 FSL & 825 FEL | 11 | 21-S | 23-E | Upper Penn |
| 19 | 990 FSL & 1986 FEL | 11 | 21-S | 23-E | Upper Penn |

With Hydrocarbon Production from the following formations(s) and well(s) on Federal Lease(s) No. 05608 & 05551-A, 05551, 81677; Lease Name Bone Flats Federal "12".

| <u>WELL NO.</u> | <u>LOCATION</u> | <u>SEC</u> | <u>TWP</u> | <u>RNG</u> | <u>FORMATION</u> |
|---------------------|--------------------|------------|------------|------------|------------------|
| 1 | 990 FNL & 990 FWL | 12 | 21-S | 23-E | Upper Penn |
| 2 | 1980 FNL & 660 FWL | 12 | 21-S | 23-E | Upper Penn |

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Production from the wells is as follows:

| <u>Well Name and Number</u> | <u>BOPD</u> | <u>Oil Gravity</u> | <u>MCFPD</u> |
|-------------------------------------|-------------|--------------------|--------------|
| MOC Federal # 1 | 2 | 60.0 | 2309 |
| MOC Federal # 2 | 232 | 41.6 | 306 |
| MOC Federal # 3 | 30 | 42.0 | 426 |
| MOC Federal # 4 | 89 | 43.0 | 200 |
| MOC Federal # 5 | 470 | 42.5 | 797 |
| MOC Federal # 7 | 1164 | 42.4 | 910 |
| North Indian Basin Unit # 7 | 73 | 43.0 | 79 |
| North Indian Basin Unit # 10 | 500 | 42.6 | 2415 |
| North Indian Basin Unit # 13 | 10 | 50.0 | 3060 |
| North Indian Basin Unit # 14 | 437 | 41.7 | 1639 |
| North Indian Basin Unit # 16 | 549 | 43.0 | 534 |
| North Indian Basin Unit # 19 | 690 | 41.6 | 1406 |
| Bone Flats Federal "12" # 1 | 224 | 43.5 | 433 |
| Bone Flats Federal "12" # 2 | 1600 | 42.4 | 1700 |

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and locating 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. A schematic diagram is also illustrated which clearly identifies all equipment that will be utilized.

The Storage and Measuring facility is located at NW/4, Section 1, T-21-S, R-23-E, Eddy County, New Mexico. BLM will be notified of any change in facility location.

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

MOC Federal= (Sum of oil readings from MOC Federal/Sum of all oil Readings) X Gross Consolidated Facility Production.

North Indian Basin Unit= (Sum of oil readings from N. Indian Basin Unit/Sum of all oil readings) X Gross Consolidated Facility Production.

Bone Flats Federal " 12" = (Sum of Bone Flats Federal "12"/Sum of all oil readings) X Gross Consolidated Facility Production.

Stinking Draw=(Sum of oil readings from Stinking Draw/Sum of all oil readings) X Gross Consolidated Facility Production.

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Continued

The working interest owners have been notified of this proposal.

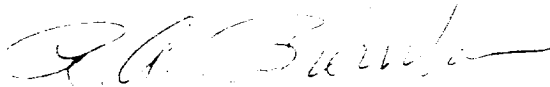
The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

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

We understand that the requested approval will 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.

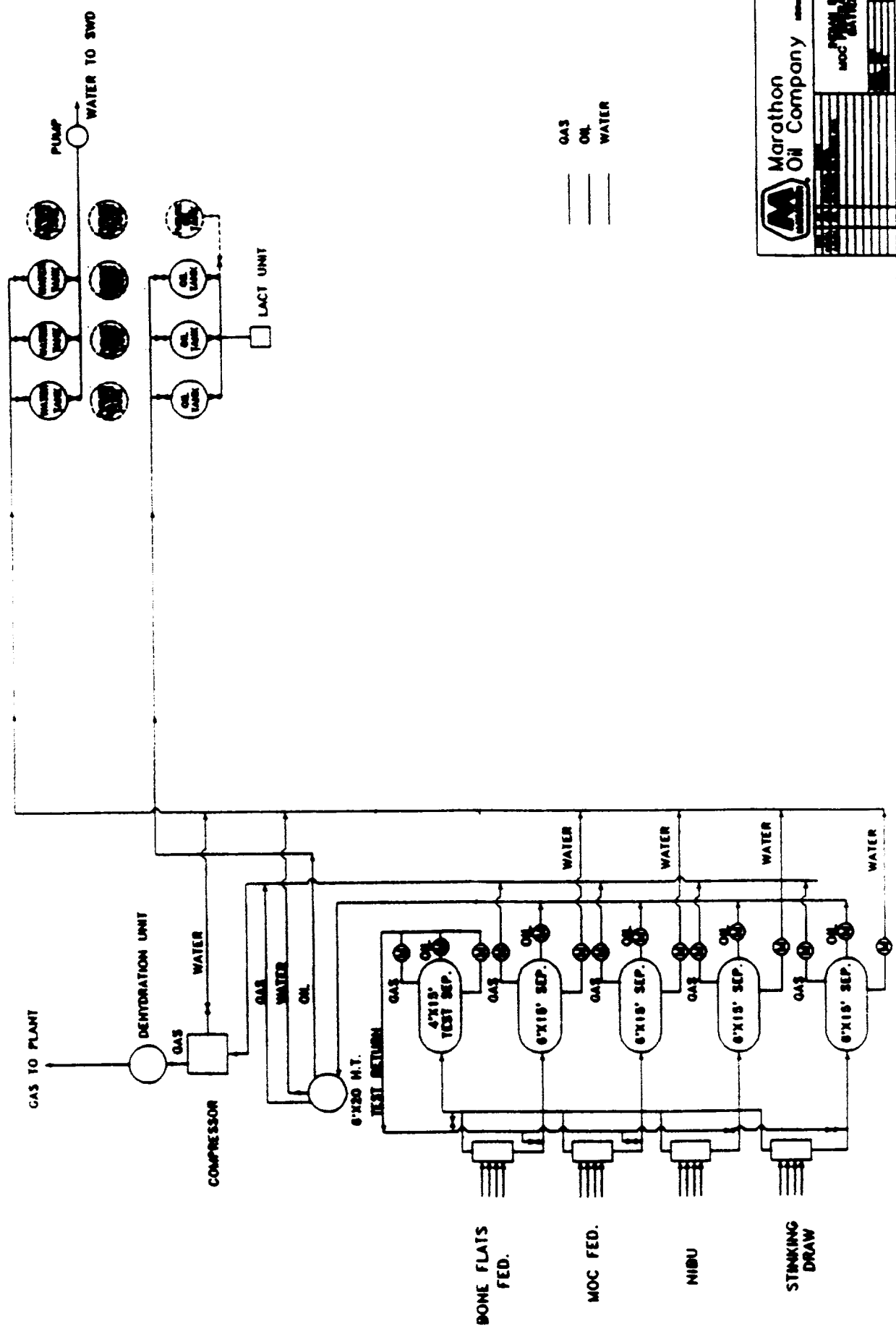
Signature

A handwritten signature in dark ink, appearing to read "R. A. Biernbaum", with a long horizontal flourish extending to the right.

Name: R. A. Biernbaum

Title: Manager, Indian Basin Asset Team

Date: May 13, 1995



Marathon Oil Company

PROCESS DESIGN DIV. 3

MOD. 100000000.3

MOC Federal Consolidated Facility
 Commingling Application
 North Indian Basin Unit,
 Stinking Draw, MOC Federal
 Bone Flats Federal "12"
 South Dagger Draw Field
 Eddy County, New Mexico

36

Stinking Draw

● #1

ST
K-197

NOT TO SCALE

ST
K-10169-1

● #2

North Indian Basin Unit

MOC Federal

CS
NM-04827-8

● #14

● #3

● #1

● #5

● #13

ST
K-7906

2

CS
NM-04827-8
1

● #4

● #2

ST
K-10170

● #7

North Indian Basin Unit

Bone Flats Federal "12"

● #15

CS
NM-050148

● #1

CS
NM-050148

● #6

11

12

CS
NM-050148

CS
NM-050148

CS
NM-050148

CS
NM-050148

CS
NM-050148

● #8

● #16

● #19

* MOC Federal Consolidated Tank Battery

UL D', SEC 1, T-21-S R-23-E

MOC FEDERAL

1 990' FNL & 1855' FEL, Sec 1
 # 2 1980' FSL & 1980' FEL, Sec 1
 # 3 760' FNL & 660' FWL, Sec 1
 # 4 1980' FWL & 660' FWL, Sec 1
 # 5 1650' FNL & 1650' FWL, Sec 1
 # 7 890' FSL & 1750' FWL, Sec 1

NORTH INDIAN BASIN UNIT

7 1650' FSL & 1650' FWL, Sec 11
 # 10 330' FNL & 2310' FWL, Sec 11
 # 13 2050' FNL & 660' FEL, Sec 2
 # 14 660' FNL & 2310' FEL, Sec 2
 # 16 1980' FSL & 825' FEL, Sec 11
 # 19 990' FSL & 1986' FEL, Sec 11

BONE FLATS FEDERAL "12"

1 990' FNL & 990' FWL, Sec 12
 # 2 1980' FNL & 660' FWL, Sec 12