	DEPARTMENT (		Drawer DD Artesia, M	IS COMMISSION FORM APPROVED Budget Bureau No. 1004-0135 M 8823 Expires: March 31, 1993 5. Lease Designation and Serial No. NM-05551 6. If Indian, Allottee or Tribe Name
	e "APPLICATION FOR PE	RMIT - " for such proposi	als	North Indian Basin Unit
<ol> <li>Type of Weil Gas Other</li> <li>Name of Operator</li> <li>Marathon Oil Company</li> <li>Address and Telephone No.</li> <li>P.O. Box 552, Midland, TX 79702 915/687/8324</li> <li>Location of Well (Footage, Sec., T. R., M., or Survey Description)</li> <li>UL "C", 990' FSL, 1986' FEL</li> <li>SEC 11. T-21-S, R-23-E</li> </ol>		324	8. Well Name and No. N. Indian Basin Unit 19 9. API Well No. 30/015/28385 10. Field and Pool. or exploratory Area South Dagger Draw: Upper Perm 11. County or Parish. State Eddy Co., NM	
12. CHECK AI	PPROPRIATE BOX(s)	TO INDICATE NATURE		
TYPE OF SU	f Intent	Abandonine Recompleti: Piugging Ba Casing Repa Altering Car X Other	а 44 11	Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection

Off Lease Measurment and Storage, and the installation and use of a LACT were approved for the Consolidated Facility on October 5, 1994.

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I hereby certify par the foregoing is tryind correct Signed Thomas Mince	Title Advanced Engineering Tech.		Date	
(This space for Federal or State office use) Of groups of the state office use	T:tle	Petroloum Engineer	Date 6/9/95	
Conditions of approval, if any:				

## CRA BLM FORMAT

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## APPLICATION FOR SURFACE COMMINGLING OFF LEASE STORAGE AND MEASUREMENT APPROVAL

## To: Bureau of Land Management P.O. Box 1778 Carlabad, 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 <u>04827-B</u>; Lease Name: <u>MOC Federal</u>

NO.	LOCATION	SEC TWP RNG	FORMATION
1	990 FNL & 1855 FEL	1 21-S 23-E	Upper Penn
4	760 FNL & 660 FWL	1 21-S 23-E	Upper Penn
-	1980 FWL & 660 FWL	1 21-S 23-E	Upper Penn
÷	1980 FSL & 1980 FEL	1 21-S 23-E	Upper Penn
2	1980 FSL & 1980 FBL	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 21-5 23-E	opper remi

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.

MELLI	LOCATION	<u>SEC TWP RNG</u>	FORMATION
<u>NO.</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
ĩõ	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 FKL	11 21-S 23-E	Upper Penn
19	990 FSL & 1986 FKL	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".

 WELL
 LOCATION
 SEC
 TWP
 RNG
 FORMATION

 NO.
 990
 FNL & 990
 FWL
 12
 21-S
 23-E
 Upper
 Upper
 Penn

 2
 1980
 FNL & 660
 FWL
 12
 21-S
 23-E
 Upper
 Penn

Continued...

## Continued:

Production from the wells is as follows:

Well Name and Number	BOPD	Gravity	MCFPD
	2	60.0	2309
PAC I COCIUS II -	222	41.6	306
MOC Federal # 2	232		+
MOC Federal # 3	30	42.0	426
	89	43.0	200
MOC Federal # 4		42.5	797
MOC Federal # 5	470		
MOC Federal # 7	1164	42.4	910
MOC FEDELAL # /	=	43.0	79
North Indian Basin Unit #			2415
North Indian Basin Unit #	10 500	42.6	
North Indian Basin Unit #	13 10	50.0	3060
NOTTH Indian basin onic #	14 437	41.7	1639
NOTTH HILLIAN Dabin Come C II			534
North Indian Basin Unit #	16 549	43.0	
North Indian Basin Unit #	19 690	41.6	1406
North Indian Basin onic #		43.5	433
Bone Flats Federal "12" #	1 224		
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.

Continued...

Oil

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

Name: R. A. Biernbaum Title: Manager, Indian Basin Asset Team Date: May 13, 1995



