S <b>UNDRY</b> Do not use this form for pro	UNITED STATES DEPARTMENT OF THE INTE BUREAU OF LAND MANAGE <b>NOTICES AND REPORTS ON</b> posals to drill or to deepen or r ICATION FOR PERMIT – " for su	MENT MENT Artesia, NM 88210 WELLS eentry to a different reservoi	6 If Indian Allama and Till At		
	SUBMIT IN TRIPLICAT	E	7. If Unit or CA, Agreement Designation		
Type of Well     Arrow Gas     Well     Gas     Well     Gas     Well     Othe     Arrow of Operator     Marathon Oil Company     Address and Telephone No.			8. Well Name and No. Bone Flats 12 Federal 6 9. API Well No. 30-015-29192		
P.O. Box 552, Midland, TX 79702       915/682/1626         4. Location of Well (Footage, Sec., T., R., M., or Survey Description)       UL "N" 660' FSL & 1980' FWL         Section 12, T21S, R23E       DEC 12'96			10. Field and Pool, or exploratory Area S. Dagger Draw / Upper Penn 11. County or Parish, State Eddy Co., NM		
12. CHECK APPROPE	RIATE BOX(s) TO INDICATE	NATURE OF POTICE			
		TYPE OF AC	TION		
Notice of Intent Subsequent Report Final Abandonment N	X	Abandonment Recompletion Plugging Back Casing Repair Altering Casing Other <u>Surface Commin</u>	(Note: Report results of multiple completion on Well		
Marathon Oil Company Facility, which is lo Commingling, Off Leas	requests that this well cated in UL "D" Secti	l be included in the on 1. T21S. R23E. Edc	Completion or Recompletion Report and Log form.) of starting any proposed work. If well is directionally drilled, MOC Federal Consolidated AV Co., NM. Surface LACT unit were approved for		

## SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Signed Thomas where the second se	Title	Advanced Engineering Tech.	
(This space for Federal or State office use) Approved by <b>(ORIG. SGD.) ALEXIS C. SWOBODA</b> Conditions of approval, if any:	Title	PETROLEUM ENGINEER	Date 12/10/96
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly or representations as to any matter within its jurisdiction.	y and will	fully to make to any department or agency of the United S	states any false, fictitious or fraudulent statements

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

To: Bureau of Land Management P.O. Box 1778 Carlsbad, New Mexico 88220-1778

<u>Marathon Oil Company</u> 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>NM-05551</u> Lease Name:<u>Bone Flats ~12" Federal Com.# NM-91035</u> <u>WELL</u>

<u>NO.</u>	LOCATION			<u>SEC</u>	<u>TWP.</u>	<u>RNG</u>	<u>FORMAT</u>	ION				
6	UL	<i>N″</i>	660'	FSL	&	1980'	FWL	12	21-S	23-E	Upper	Penn

	Oil API	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
636	43	1515

with the already commingled Hydrocarbon Production from the Upper Penn formation **MOC Federal**, located in Section 1,T-21-S, R-23-E, Eddy County, New Mexico.

	Oil API	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
600	42.0	9000

And with the already commingled Hydrocarbon Production from the Upper Penn formation on the **North Indian Basin Unit** located in the Section 2 & 11 T-21-S, R-23-E , Eddy County, New Mexico.

Oil API

<u>BOPD</u>	<u>Gravity</u>	MCFPD
2400	42.0	27500

And with the already commingled Hydrocarbon Production from the Upper Penn formation on the **Stinking Draw** lease numbers ST K-1877 and ST E-10169-1 located in the South ½ of Section 36, T-21 ½-S, R-23-E, Eddy County, New Mexico.

	Oil API	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
390	42.2	5700

And with the already commingled Hydrocarbon Production from the Upper Penn formation on the **Comanche Federal** lease number NM 0384623 located in the North ½ of Section 3, T-21-S, R-23-E, Eddy County, New Mexico.

	Oil API	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
4	5 <i>2</i>	4000

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 Unit Letter "D", Section 1, T-21-S, R-23-E, Eddy County, New Mexico. The BLM will be notified of any change in facility location.

Production will be allocated to this well based on monthly well tests and the previously approved methods of lease allocation.

The working interest owners were notified of the original commingling 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 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 Thomas Ance for Sp 54, dry

Name: S. P. Guidry Title: Manager, Indian Basin Asset Team Date: December 4, 1996

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R-23-E