	(INIT)	ED STATES	FORM APPROVED
Form 3160-5			
(November 1994)		F OF THE INTERIOR	Budget Bureau No. 1004-0135 Expires November 30 2000
		AND MANAGEMENT	5. Lease Serial No.
		AND REPORTS ON WELLS	V-992-3
		× • •	6. If Indian, Allottee or Tribe Name
	abandoned well. Use For	proposals to drill or to re-enter an n 3160-3 (APD) for such proposals:	
	SUBMIT IN TRIPLICATE	Other instructions on reverse side 6 1 8 9 10 11	7. If Unit or CA/Agreement, Name and/or No.
			_
I. Type of Well Oil V Gas			8. Well Name and No.
Well Well	Other		— IB "32" STATE #2
2. Name of Operator		RECEIVED 5	
Marathon Oil Com	pany	3b. Phone No. (include area code)	9. API Well No.
3a. Address P.O. Box 552 Mi	dland TV 70702	915/682 - 1626	30 - 015 - 30097 10. Field and Pool, or Exploratory Area
	ec., T., R., M., or Survey Descriptio		INDIAN BASIN UPPER PENN GAS
UL "J", 2000' FS			POOL
SECTION 32, T-21			11. County or Parish, State
SECTION SE, 1-21	-J, N 27 C		EDDY NM
12.		TE BOX(ES) TO INDICATE NATURE OF NOTICE, REPO	
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Final Aba	ndonment Notice	Change Plans Plug and Abandon Tempo	rarily Abandon OFF - LEASE MEASMT
		Convert to Injection Plug Back Water	Disposal ALT. MEASM. METHOD
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WN TISMECH TEC OF DO

## APPLICATION FOR SURFACE COMMINGLING OFF-LEASE MEASUREMENT, STORAGE AND ALTERNATE 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, and Alternate Measurement of hydrocarbon production from the following formation(s) and well(s) on:

Lease Name: IB "32" State

<u>Well No.</u>	<u>UL</u>	Sec TWP	<u>RNG</u>	<u>Formation</u>	<u>API No.</u>	<u>Lease #</u>	<u>COM</u>
2	J	32 21-S	24-E	Upper Penn	30-015-30097	V-992-3	N/A

Production from the referenced well is as follows:

<u>BOPD</u>	<u>API o</u>	<u>MCFD</u>
2	42.3°	7606

This production will be commingled with the already commingled hydrocarbon production (PLC-139) from the Upper Penn formation of the following leases, which are located in Eddy County, New Mexico:

. ...

<u>Lease Name</u>	Location	BOPD	API <u>Grav.</u>	<b>MCFPD</b>
IB 32 State #1-Y	Sec. 32, T-21-S, R-24-E	1	42.1	1,130
Indian Hills Unit &	Secs. 20, 21, 28, 29, & 33	353	42.9	10,930
Ind. Hills Unit Gas Com	T-21-S, R-24-E			

The proposed operation is described in detail on the attached diagrams. Liquid hydrocarbon production will be measured using turbine meters per prior approvals. These meters are proved on a regular schedule.

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. A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The Storage and Measuring facility is located at <u>UL "P"</u>, <u>Sec. 19, T-21-S, R-24-E, Eddy County, New</u> <u>Mexico.</u> A satellite separation and measurement facility is located at UL "J", Sec. 32, T-21-S, R-24-E. The BLM will be notified of any change in facility location.



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

Gas is measured using allocation meters. It is then transported to the East Indian Basin Central Facility (UL 'P', Section 19, T-21-S, R-24-E) by pipeline. It is then transported to the Indian Basin Gas Plant, by pipeline, for processing. 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. The liquid hydrocarbons and water are also transported to the East Indian Basin Central Facility by pipeline. Liquid hydrocarbons are then sold through a LACT unit and truck hauled. Water will be injected into various water disposal wells per Sundry Notices filed in compliance with Onshore Order No. 7. 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 State 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:

Ginny Larke

Name: Ginny Larke Title: Engineer Technician Date: December 2, 1998

Attachments

Mid- tinent Region Proc on United States



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

May 8, 1998

New Mexico Oil Conservation Division Attn.: Mr. Ben Stone 2040 South Pacheco Street Santa Fe, New Mexico 87505

RE: Amending PLC-140

Dear Mr. Stone:

Please amend the commingle order shown above as follows:

Include Indian Hills Unit Gas Com. Well No. 13. This well was inadvertently left off the original PLC. This well is located at UL "K," Section 29, T-21-S, R-24-E.

Include Indian Basin "32" State Well No. 2. This well will be drilled in the next few weeks. It is located at UL "J," Section 32. T-21-S, R-24-E. Please see attached Form C-102 for more information about this well. The original and 3 copies of this C-102 was sent to the District office in Artesia along with a copy of this letter to inform Mr. Tim Gum of our intentions.

This request is being made pursuant to our telephone conversation of May 8, 1998. If you need more information, or if you have any questions, please do not hesitate to call me at 915-687-8449. Thank you for your help and your prompt attention to this matter.

~

Sincerely,

Ginny Larke

Ginny Larke

vll/wperfect/amendplc.wpd

Attachments

xc: Tim Gum District II Manager.

A subsidiary of USX Corporation



## COMMINGLING ORDER PLC-140

Marathon Oil Company P.O. Box 552 Midland, Texas 79702-0559

Marathan Oil Commany

MAY 01 1998

Attention: Ms. Ginny Larke

INDIAN BASIN ASSET TEAM

The above named company is hereby authorized to commingle Indian Basin Upper Penn (Associated - 33685) and Indian Basin Upper Penn (Prorated Gas - 79040) Pool production from the following leases:

Lease: Including: Description:	Indian Hills Unit (Including Com # NM-071145) Federal Lease Nos. NM-07260, NM-07260F, NM-30482, LC-064391B SE/4 SW/4, SW/4 SE/4 of Section 20, SW/4 SW 4 of Section 21, NE/4 SW/4 of Section 28, SE/4 NW/4, NW/4 SW/4 of Section 29, and E/2 NE/4, SW/4 SE/4, SE/4 SW/4 of Section 33, and,
Lease:	IB '32' State Lease (State Lease No.V-993-3)

Description: SW/4 SW/4 of Section 33,

All in Township 21 South, Range 24 East, Eddy County, New Mexico.

The production from each pool shall be separately metered prior to commingling. Production shall be allocated to each lease and well by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

NOTE: The commingled production shall be stored and measured at the facility located in Unit Letter 'P' of Section 19, Township 21 South, Range 24 East.

**REMARKS:** This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Artesia district office prior to implementation of the commingling process.

**PROVIDING:** <u>Validation of this authority shall be accomplished with like approval from the</u> <u>New Mexico Commissioner of Public Lands and the U.S. Bureau of Land Management.</u>

Commingling Order PLC-140 Marathon Oil Company April 14, 1998 Page 2

DONE at Santa Fe, New Mexico, on this 14th day of April, 1998.

LORI WROTENBERY,

Division Director (

LW/BES/kv

cc: Oil Conservation Division - Artesia
 State Land Office - Oil & Gas Division
 U.S. Bureau of Land Management - Carlsbad



Submit 3 Copies to Appropriate District Office	State of New Mexi Energy, Minerals and Natural Re	Form C-103 Revised 1-1-89		
DISTRICT I P.O. Box 1980, Hobbs NM 88241-1980 DISTRICT II P.O. Drawer DD, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410	Santa Fe, NM 8	WELL API NO. 30-015-30097 5. Indicate Type of Lease STATE X FEE 6 State Onl & Gas Lease No. V-992-3		
(DO NOT USE THIS FORM FOR PR DIFFERENT RESE (FORM C	ICES AND REPORTS ON WELL OPOSALS TO DRILL OR TO DEEPEN O RVOIR. USE "APPLICATION FOR PERM 101) FOR SUCH PROPOSALS.)	R PLUG BACK TO A	<ul> <li>2. Lease Name or Unit Agreement Name</li> <li>INDIAN BASIN "32" STATE</li> </ul>	
I Type of Well.     GAS       OIL     GAS       WELL     WELL X       2 Name of Operator	OTHER		8 Well No	
Marathon Oil Company 3 Address of Operator			2 9 Pool name or Wildcat	
P.O. Box 552 Midland, TX 4 Well Location Unit Letter J 200	0 Feet From The	Line and165	INDIAN BASIN UPPER PENN GAS POOL	
Section 32	Township 21.5 Rail 10 Elevation (Show whethe		NMPM EDDY County	
-	ppropriate Box to Indicate 2 NTENTION TO:	1	Report, or Other Data SEQUENT REPORT OF:	
		REMEDIAL WORK		
		COMMENCE DHILLING		
SURFACE COMMINGLE PRO	DUCTION	OTHER		

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work = SEE RULE 1103.

"ARATHON OIL COMPANY I and to gather the production from this well at a satellite facility in Section 32. (see attached diagram, and then transport this production, via pipeline, to the central facility, "Deated at UL "P". Section 19, T-21-S, R-24-E. Commingling of pools and leases at the central facility was approved 4-14-98. PLC-140. The production will be allocated as previously approved in PLC-140. Oil will be stored in tarks at the central facility and sold through a LACT unit. The gas will go to the Indian Basin Gas Plant. After processing, the gas and NGLs will be metered and sold at the tailgate of the plant. The water will be stored in a tank at the central battery and disposed of into the Indian Basin Field produced water disposal system. Please amend PLC-140 to include this new well.

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## AMENDED COMMINGLING ORDER PLC-140

Marathon Oil Company P.O. Box 552 Midland, Texas 79702-0559

Marathon Oil Com one

AUG 1 3 1998

INDIAN BASIN ASS

MID-CONTINENT REGION

Attention: Ms. Ginny Larke

The above named company is hereby authorized to commingle Indian Basin Upper Penn (Associated - 33685) and Indian Basin Upper Penn (Prorated Gas - 79040) Pool production from the following leases:

Lease:	Indian Hills Unit (Including Com # NM-071145)
Including:	Federal Lease Nos. NM-07260, NM-07260F, NM-30482, LC-064391B
<b>Description:</b>	SE/4 SW/4, SW/4 SE/4 of Section 20, SW/4 SW/4 of Section 21, NE/4 SW/4
-	of Section 28, SE/4 NW/4, N/2 SW/4 of Section 29, and E/2 NE/4, SW/4
	SE/4, SE/4 SW/4 of Section 33, and,

Lease: Indian Basin '32' State Lease (State Lease No.V-993-3) Description: NW/4 SE/4 of Section 32, SW/4 SW/4 of Section 33,

All in Township 21 South, Range 24 East, Eddy County, New Mexico.

The production from each pool shall be separately metered prior to commingling. Production shall be allocated to each lease and well by well tests. This method is authorized only so long as all commingled production is of identical ownership including working interest, royalty interest, and overriding royalty interest.

NOTE: The commingled production shall be stored and measured at the facility located in Unit Letter 'P' of Section 19, Township 21 South, Range 24 East.

**REMARKS**: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the supervisor of the Artesia district office prior to implementation of the commingling process.

PROVIDING: <u>Validation</u> of this authority shall be accomplished with like approval from the New Mexico Commissioner of Public Lands and the U.S. Bureau of Land Management.

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Commingling Order PLC-140 Marathon Oil Company August 10, 1998 Page 2

DONE at Santa Fe, New Mexico, on this 10th day of August, 1998.

In Anor

- 1

LORI WROTENBERY, Division Director

LW/BES/kv

cc: Oil Conservation Division - Artesia State Land Office - Oil & Gas Division U.S. Bureau of Land Management - Carlsbad

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