

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 3, 2000

5. Lease Serial No.

V-992-3

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

IB "32" STATE #2

9. API Well No.

30-015-30097

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL "J", 2000' FSL, 1650' FEL  
SECTION 32, T-21-S, R-24-E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

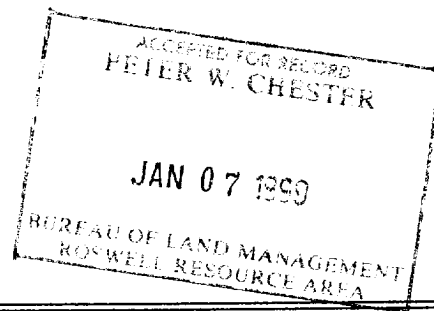
TYPE OF ACTION

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off  
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity  
☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other COMMINGLING  
☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon OFF-LEASE MEASMT.  
☐ Convert to Injection ☐ Plug Back ☐ Water Disposal ALT. MEASMT. METHOD

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 recompleat 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 recompleat 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.)

MARATHON OIL COMPANY gathers the production from this well at a satellite facility in Section 32, (see attached diagram), and then transports this production, via pipeline, to the central facility, located 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. This well was added to PLC-140 by the NMOCB by amended PLC-140 dated 8/10/98. Please amend your files to include this well.

The attachments explain this operation in more detail.



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Ginny Larke

Title

Engineer Technician

Date 12/2/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

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BLM  
ROSWELL NM

**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**

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

Production from the referenced well is as follows:

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

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>	<u>Location</u>	<u>BOPD</u>	<u>API Grav.</u>	<u>MCFPD</u>
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 UL "P", Sec. 19, T-21-S, R-24-E, Eddy County, New Mexico. 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.

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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:

A handwritten signature in cursive script that reads "Ginny Larke".

Name: Ginny Larke

Title: Engineer Technician

Date: December 2, 1998

Attachments



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,

A handwritten signature in cursive script that reads 'Ginny Larke'.

Ginny Larke

vll/wperfect/amendplc.wpd

Attachments

xc: Tim Gum  
District II Manager.



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87606  
(505) 827-7131

COMMINGLING ORDER PLC-140

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

Marathon Oil Company

MAY 01 1998

Attention: Ms. Ginny Larke

INDIAN BASIN ASSET TEAM  
MID-CONTINENT REGION

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  
Description: 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: Validation 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.

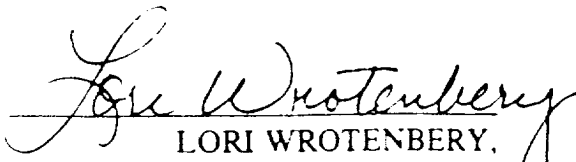
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ROSWELL NM



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

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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

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

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO.	30-015-30097
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	V-992-3
7. Lease Name or Unit Agreement Name	INDIAN BASIN "32" STATE
8. Well No.	2
9. Pool name or Wildcat	INDIAN BASIN UPPER PENN GAS POOL

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator Marathon Oil Company
3. Address of Operator P.O. Box 552 Midland, TX 79702	4. Well Location Unit Letter J 2000 Feet From The SOUTH Line and 1650 Feet From The EAST Line

Section 32	Township 21-S	Range 24-E	NMPM	EDDY	County
10. Elevation (Show whether DF, RKB, RT, GR, etc.)					

### Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
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PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER SURFACE COMMINGLE PRODUCTION <input type="checkbox"/>		OTHER <input type="checkbox"/>	

11. 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.

MARATHON OIL COMPANY plans 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, located 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 tanks 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 MGLs 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.

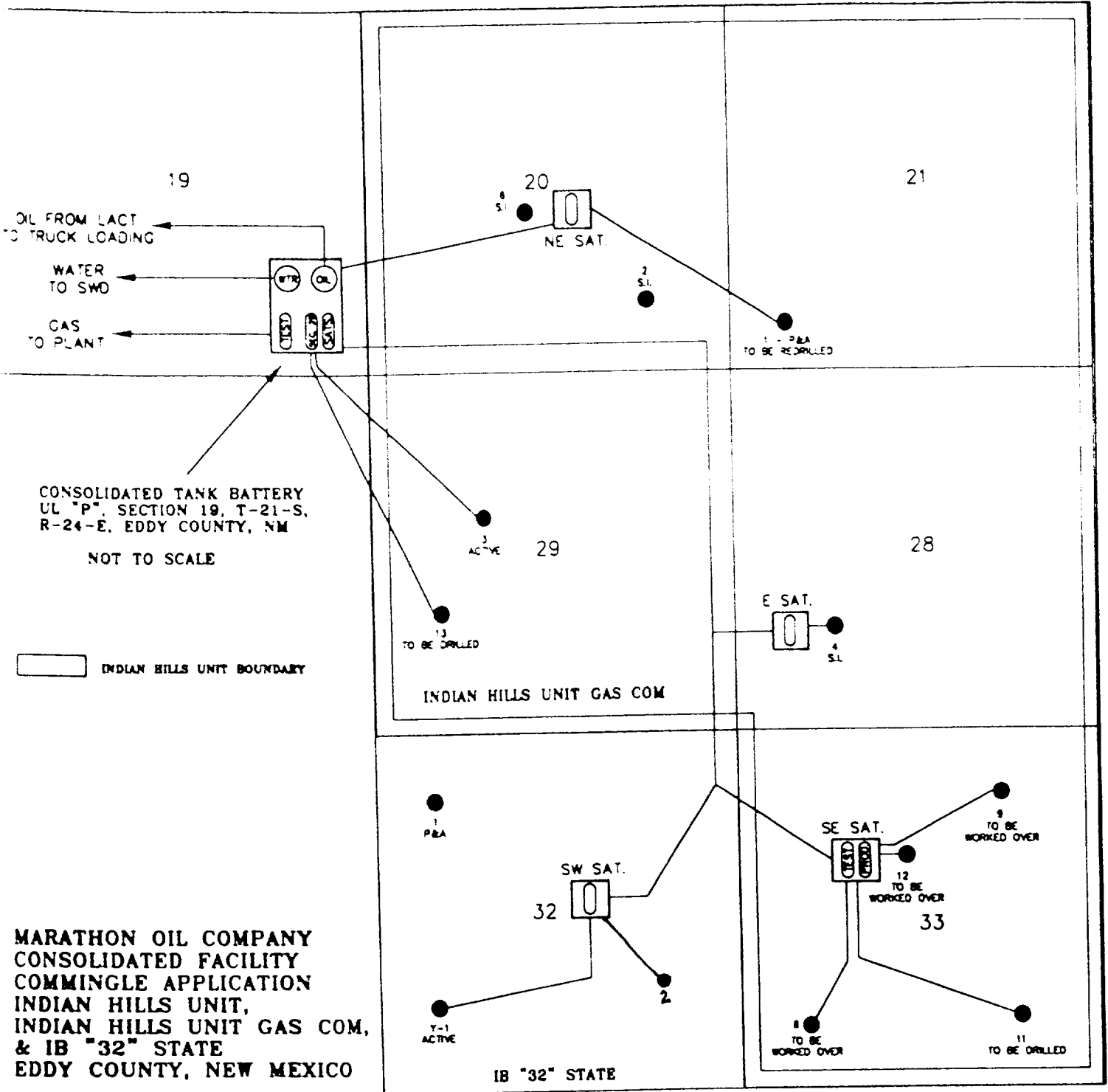
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ginny Larke TITLE Engineer Technician DATE 5/8/98  
TYPE OR PRINT NAME Ginny Larke TELEPHONE NO. 915-682-1626

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
ENDORSEMENT OF APPROVAL, IF ANY

R-24-E



MARATHON OIL COMPANY  
CONSOLIDATED FACILITY  
COMMINGLE APPLICATION  
INDIAN HILLS UNIT,  
INDIAN HILLS UNIT GAS COM,  
& IB "32" STATE  
EDDY COUNTY, NEW MEXICO

R-24-E

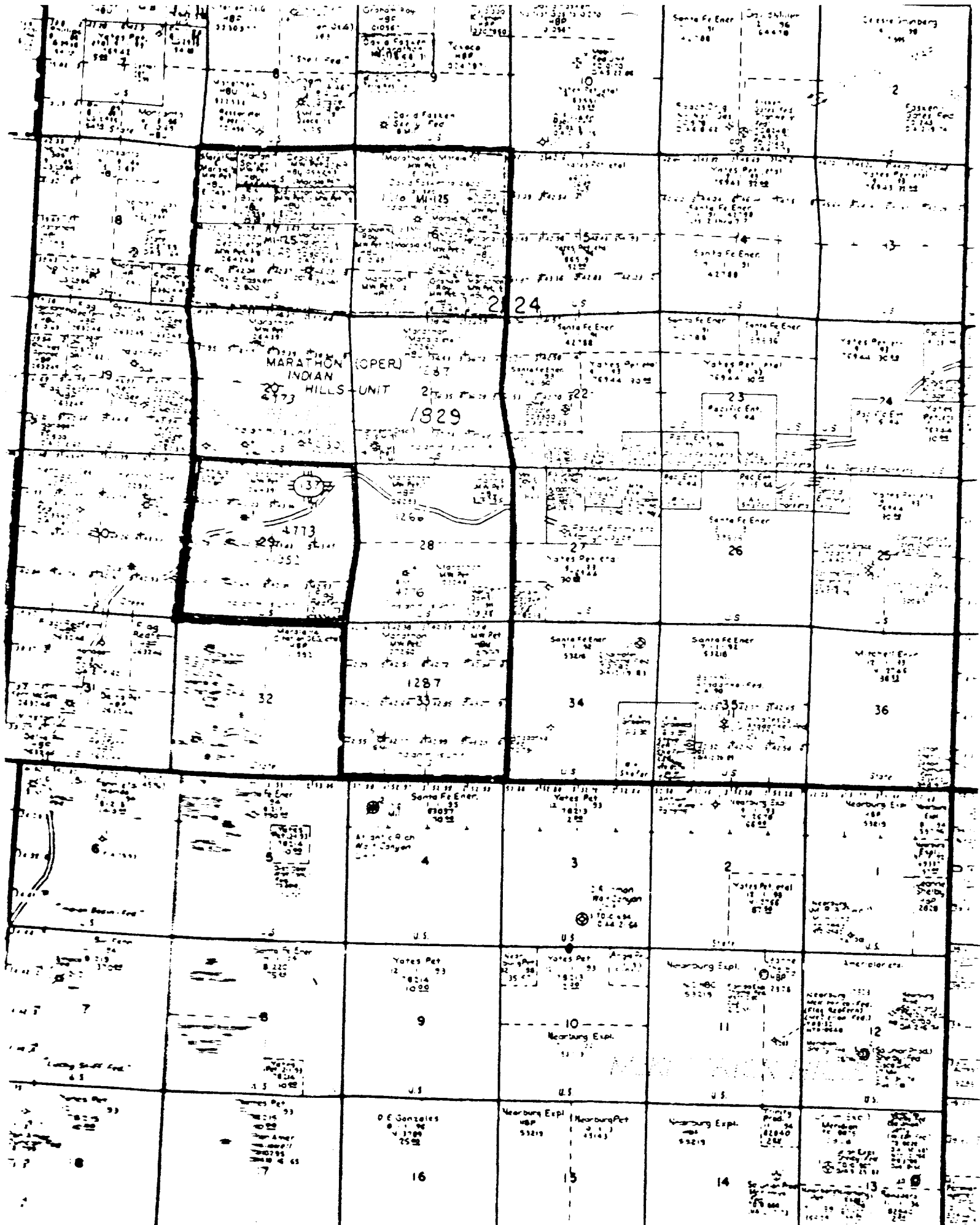
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BY: V. L. LARKE

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NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

**AMENDED COMMINGLING ORDER PLC-140**

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

Marathon Oil Company

**AUG 13 1998**

Attention: Ms. Ginny Larke

INDIAN BASIN ASSOCIATION  
MID-CONTINENT REGION

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:

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Including: Federal Lease Nos. NM-07260, NM-07260F, NM-30482, LC-064391B  
Description: 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: Validation 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.

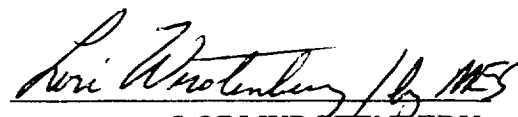
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HOSWELL, W.



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

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

**SECRET**