

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 30 2000

5. Lease Serial No.

2834 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.

INDIAN BASIN "32"

STATE #3

9. API Well No.

30-015-30535

10. Field and Pool, or Exploratory Area

INDIAN BASIN UPPER PENN
ASSOCIATED 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

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

UL "A", 950' FNL & 1250' FEL
SECTION 32, T-21-S, R-24-E

361 Phone No. (include area code)
915-682-1626

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

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other COMMINGLE.

OFF-LEASE MSMT. &

ALT. MSMT. 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 recomple 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 recomple 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.)

As required by 43 CFR 3162.7-2 and Onshore Oil and Gas Order No. 4, Marathon Oil Company requests approval of off-lease measurement, storage & sales, alternate measurement method, and commingling of liquid hydrocarbon production. Also, as required by 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 5, we request approval of off-lease measurement & sales and commingling of gas production. The production from this well will be gathered at a satellite facility in Section 32, (see attached map), and then transported, via pipeline, to the central facility, which is located at UL "P", Section 19, T-21-S, R-24-E. Commingling of Indian Basin Upper Penn Gas and Associated Pools production at the central facility was originally approved 4/14/98 by order of PLC-140.

Turbine meters will be used as the Alternate Method of Metering for liquid hydrocarbons and water per prior approvals.

A form is attached which further explains this operation.

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

Ginny Larke

Title

Engineer Technician

Date 1/5/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) GARY GOURLEY

Title

PETROLEUM ENGINEER

Date 1/5/98

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.

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.

(Instructions on reverse)

RECEIVED
JAN 07 39
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>
3	A	32	21-S	24-E	Upper Penn	30-015-30535	V-992-3	N/A

Production from the referenced well is as follows:

<u>BOPD</u>	<u>API °</u>	<u>MCFD</u>
365	38.6°	484

This production will be commingled with the already commingled hydrocarbon production (PLC-140) 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 & #2	Sec. 32, T-21-S, R-24-E	0	N/A	4,880
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.

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

The production is gathered into a 3-phase separator at the satellite facility in Section 32. The 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. After being compressed, it is 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 prior approvals. 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 black ink, appearing to read 'K. W. Tatarzyn', written in a cursive style.

Name: K. W. Tatarzyn

Title: Indian Basin Asset Team Manager

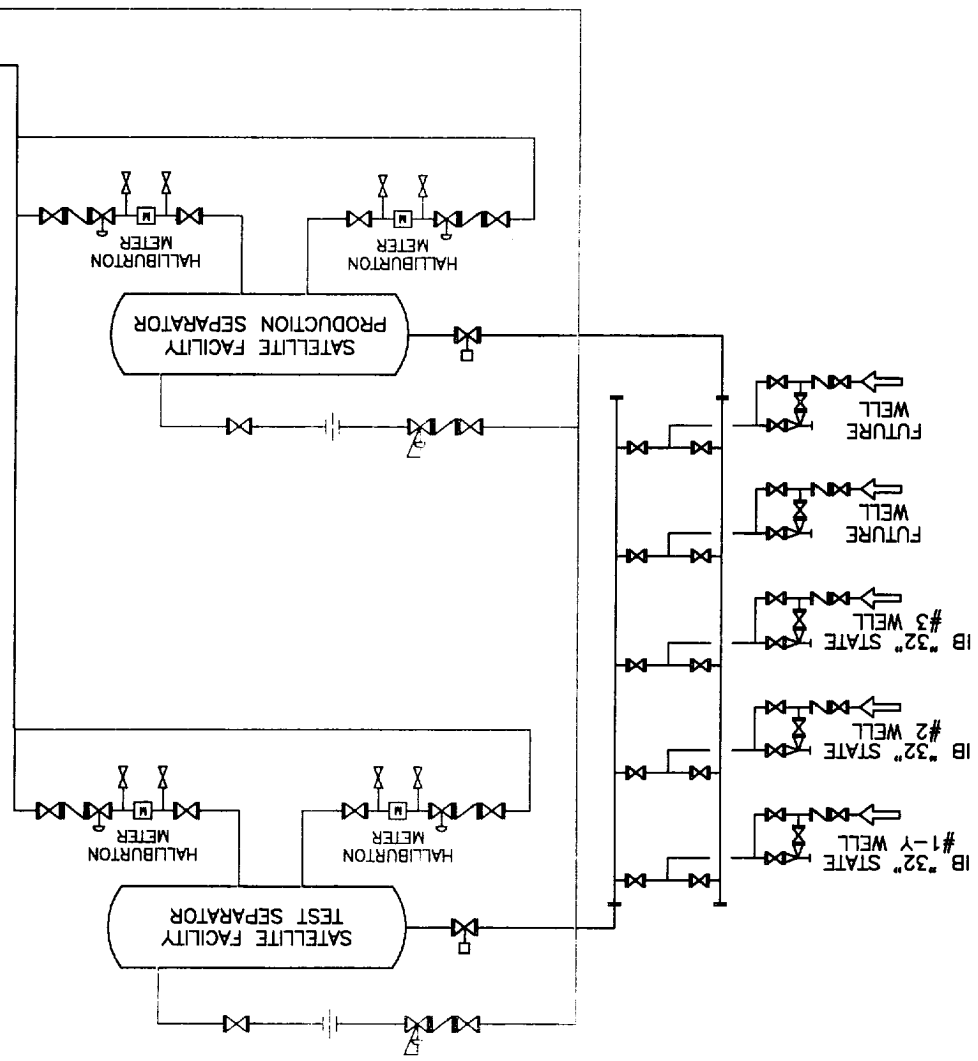
Date: January 7, 1999

Attachments

LEGEND	
---	GAS PIPING
---	LHC PIPING
---	WATER PIPING
---	LHC-WATER PIPING

TO LEASE PRODUCTION
SEPARATOR AT
INDIAN HILLS PRODUCTION
FACILITY

TO INDIAN HILLS PRODUCTION
FACILITY COMPRESSOR
SUCTION HEADER



INDIAN BASIN "32" STATE
SATELLITE
SEPARATION FACILITY



TO TRUCK LOADING RACK

SALES TO IRGP

FILTER-SEPARATOR
GLYCOL CONTACTOR
GLYCOL REGEN SKID

GLYCOL REGEN SKID

VAPOR RECOVERY UNIT

LACT UNIT

COMPRESSORS

SUCTION SCRUBBER

HEATER TREATER

129 LEASE TEST SEPARATOR

129 LEASE 3-PHASE SEPARATOR

SEC. 20, 21, 28, 32, 33 3-PHASE SEPARATOR

GUN BARREL

LHC TANK

WATER TANK

WATER TANK

WATER TANK

SWD PUMP

TRANSFER PUMP

TO FLARE

TO SWD WELL

GAS FROM SATELLITE FACILITIES

LHC & WATER FROM SATELLITE FACILITIES

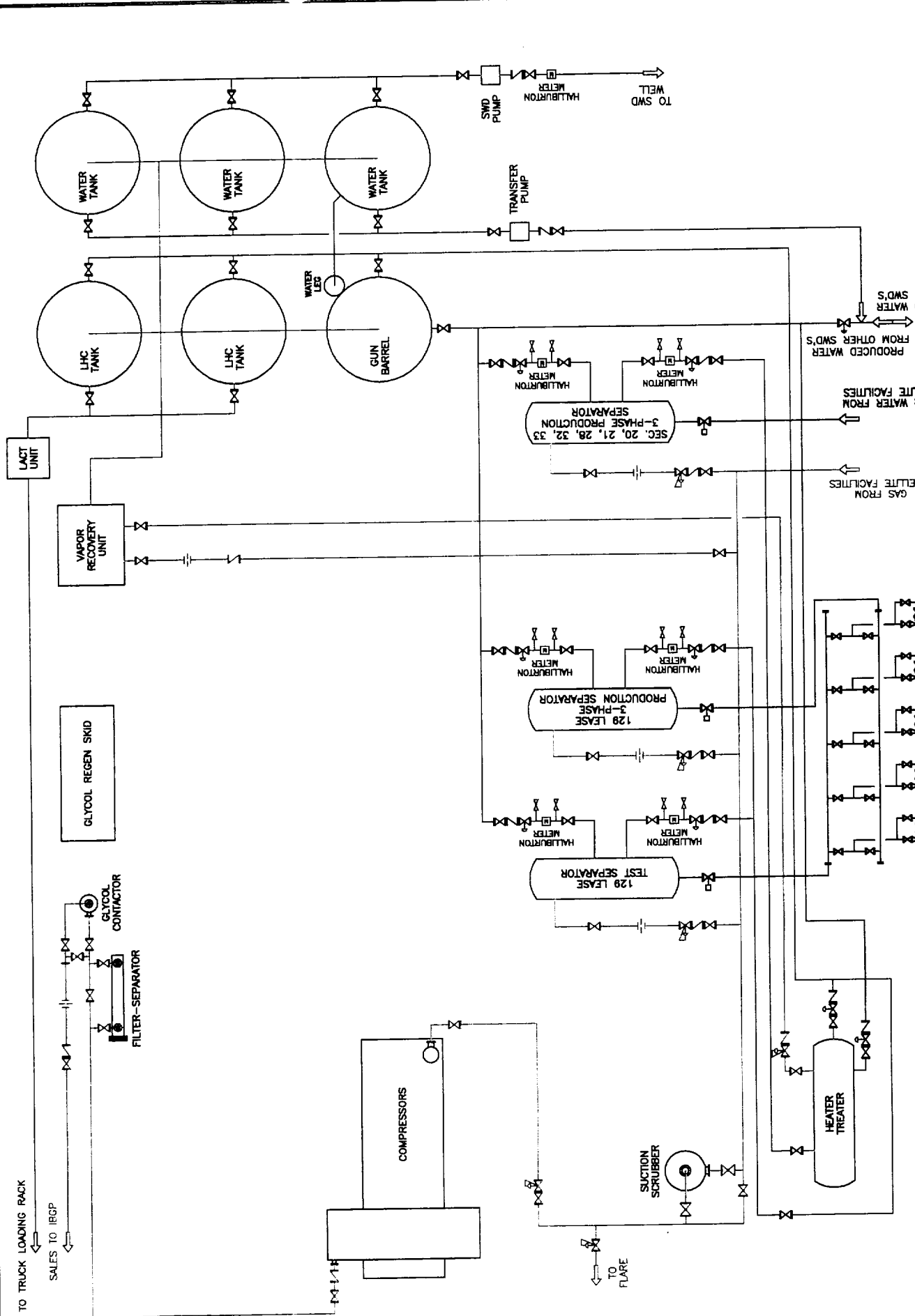
PRODUCED WATER FROM OTHER SWD'S

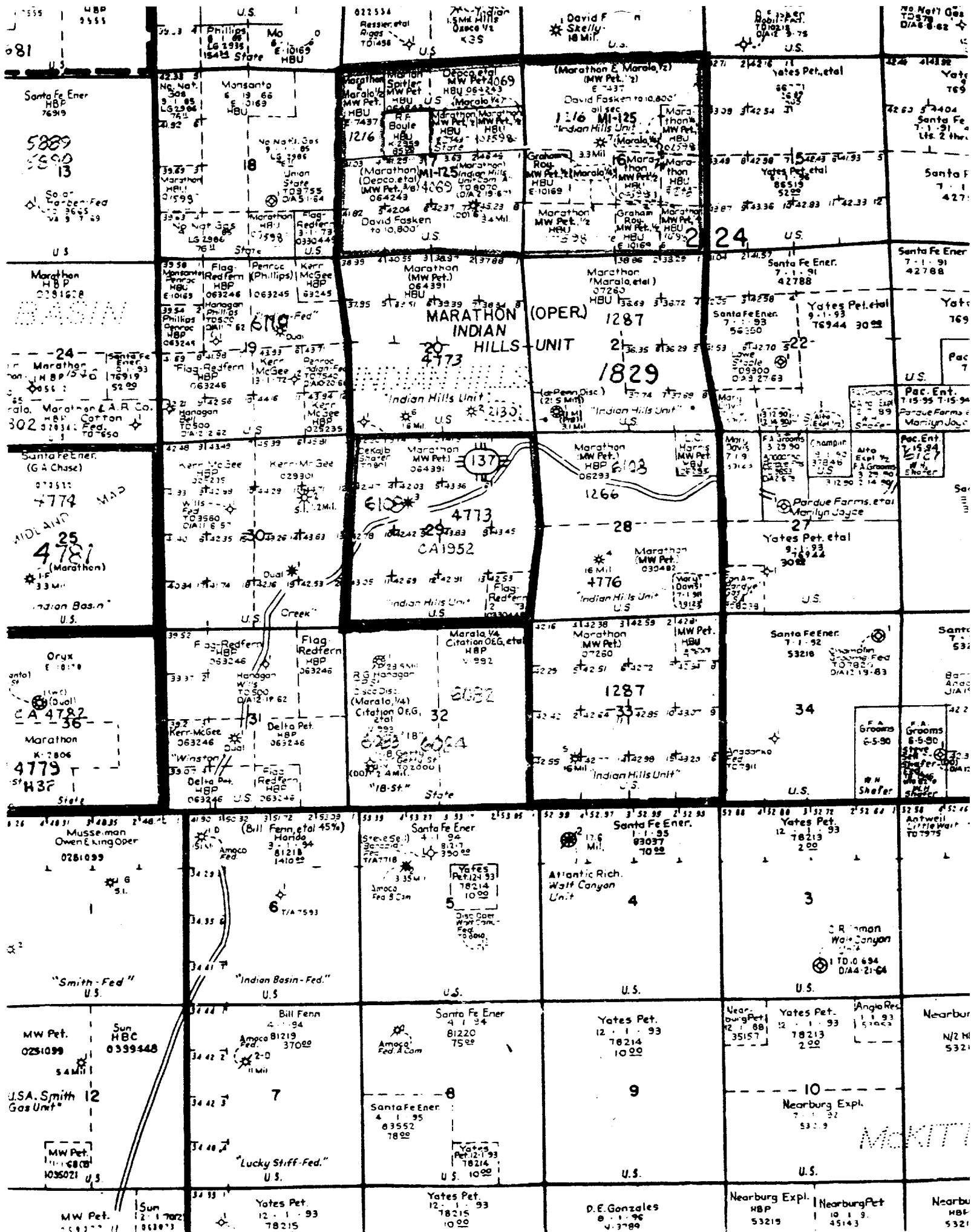
PRODUCED WATER TO OTHER SWD'S



INDIAN HILLS UNIT CENTRAL PRODUCTION FACILITY

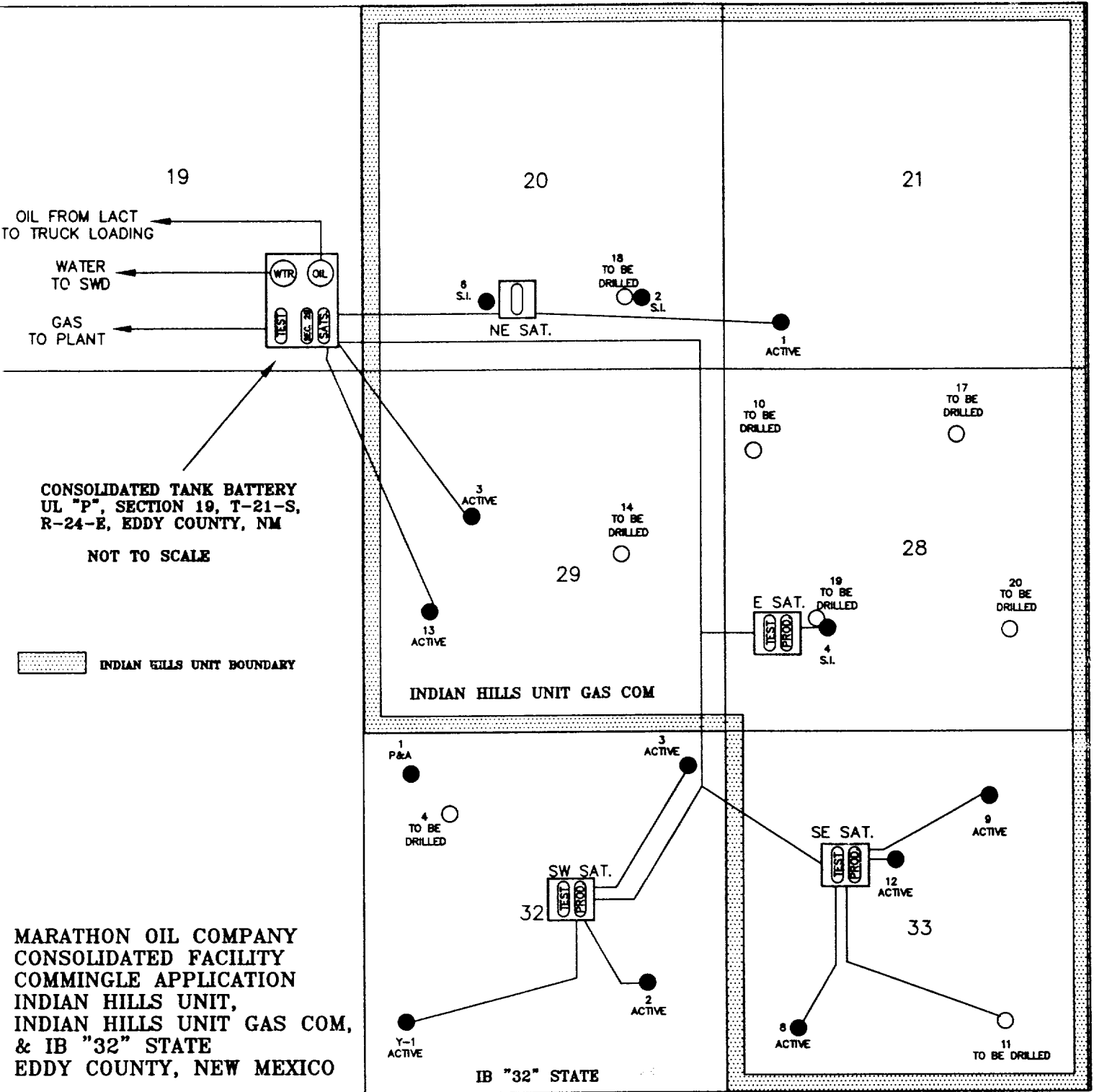
LEGEND	
---	GAS PIPING
---	LHC PIPING
---	WATER PIPING
---	LHC-WATER PIPING





RECEIVED
JUN 07 99
NEWTON, MA

R-24-E



T-21-S

R-24-E

12/29/98
KIRMAP.DWG
BY: V. L. LARKE