

DATE IN 9/29/03	SUSPENSE 10/19/03	ENGINEER WUJ	LOGGED IN LR	TYPE PEC OLS	APP NO. PLR0327436124
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

K.W. Tatarzyn [Signature] Permian Asset Mgr. 9/23/03
 Print or Type Name Signature Title Date

 e-mail Address



P.O. Box 552
Midland, TX 79702-0552
Telephone 432/682-1626

RECEIVED

September 23, 2003

SEP 29 2003

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OIL CONSERVATION
DIVISION

Re: Amendment of Commingling Orders PLC-124, PLC-144, PLC-175, CTB-482, and CTB-484

State and Federal Leases and Communitization Agreements Affected: E-10169, E-10170, E-7906, NM-1832, NM-0251099-A, NM-34446, NM-384623, NM-384625, NM-384628, NM-4827-B, NM-51107, NM-05551, NM-05551-A, NM-05607, NM-05608, NM-05612-A, NM-06953, NM-70522-A, NM-81677, Unit Agreement 891008508-O and Com Agreements NM SW-242, SW-342, SW-280 and NM 91035, located in Townships 20, 20.5, 21 and 22 South, Ranges 23 and 24 East, Eddy County, New Mexico

Dear Sir:

Marathon Oil Company is proposing to amend the Indian Basin Field Commingling, Off-Lease Storage, Measurement, and Sales agreement in order to increase gas and oil production by reducing system operating pressures. This amendment will supersede Oil Conservation Division Commingling Orders PLC-124, 2nd Amendment, PLC-144, 1st Amendment, PLC-175, CTB-482, 1st Amendment, and CTB-484. Currently separator pressures must be kept high to push oil into the Indian Basin Gas Plant liquid gathering system. This work will allow separator pressures to be reduced by up to 50 psi immediately at some sites and will allow for additional pressure reduction in the future. As reservoir pressure at Indian Basin continues to decline, the ability to reduce separator pressure becomes critical to keeping production rates higher for a longer period of time. While the main value of this work is increased gas and oil production, it is likely that a higher price will be received for the condensate by commingling it with other oil at the MOC Central Facility rather than sending it to the Gas Plant for sale.

Marathon proposes to change only the point of sale for some of the liquid hydrocarbon production covered by the above referenced Commingling Orders. These changes will not affect the measurement methods already agreed upon in these documents. A copy of the application is attached and explains the proposed changes in detail.

If you have any questions, please call me at (915) 687-8321. If you will call me, I will e-mail you the spreadsheet files with the list of interest owners for each lease and the list of wells with their API numbers, Lease numbers, Pools, etc.

Sincerely,

Ginny Larke
Engineer Technician

Attachments

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Marathon Oil Company
OPERATOR ADDRESS: P O Box 552, Midland, TX 79702-0552
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. PLC 124, 144 & 175; CTB482, 484

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Indian Basin U. P. Gas 79040	55.1	50		287
S. Dagger Draw U. P. Assoc 15475	45.5			1259
Indian Basin U. P. Assoc. 33685	61.8			83

- (2) Are any wells producing at top allowables? Yes No
 (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
 (4) Measurement type: Metering Other (Specify) (See Attachments)
 (5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
 (2) Is all production from same source of supply? Yes No
 (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
 (4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
 (2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

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: September 24, 2003
 TYPE OR PRINT NAME Ginny Larke TELEPHONE NO. 800-351-1417

AMENDMENT TO INDIAN BASIN FIELD COMMINGLING AGREEMENT

September 23, 2003

Marathon Oil Company is proposing to amend the Indian Basin Field Commingling, Off-Lease Storage, Measurement, and Sales agreement superseding Oil Conservation Division Commingling Orders PLC-124, 2nd Amendment, PLC-144, 1st Amendment, PLC-175, CTB-482, 1st Amendment, and CTB- 484. In order to increase production by allowing lower operating pressures and to increase the economic producing life of all the wells covered by this Commingling agreement by reducing operating costs, Marathon proposes to change the point of sale for some of the liquid hydrocarbon production covered by the above mentioned Commingling Orders. A brief description of the proposed changes is shown below.

In addition to the wells already being served by the MOC Central Facility (PLC-124), Marathon Oil Company proposes to take the liquid hydrocarbon and water production from the Station 210 Satellite Facility, the Station 215 Satellite Facility, the Station 226 (SIB) Satellite Facility, the Station 235 Satellite Facility, and the Station 311 Satellite Facility, **AFTER MEASUREMENT**, and recombine them and send them, via pipeline, to the gun barrel tank at the MOC Central Facility. Through settlement, the liquid hydrocarbon production will separate from the water and will be floated over into the oil storage tanks at the MOC Central Battery. It will then be sold through the LACT Units. The water will be drained into the water storage tanks and will be sent to the Indian Basin SWD system for disposal. These changes will not affect the measurement methods already agreed upon in the above mentioned commingling orders, they only affect the Off-Lease Storage and Sales portions of these orders. (See attached map, Exhibit 1, and attached spreadsheet, Exhibit 2, for Well Names, API Numbers, Lease Names, Lease Numbers, Communitization Agreement Numbers, Pools/Reservoirs, and Property Codes included in this application).

A more detailed description of the proposed changes follows:

MOC CENTRAL FACILITY

The production from the following wells is presently commingled at the MOC Central Facility, located in UL "D", Section 1, T-21-S, R-23-E (Oil Conservation Division Commingling Order PLC-124 2nd amendment):

<u>Well Name</u>	<u>BOPD</u>	<u>MCFD</u>
Bone Flats Federal 12 #1	0	24
Bone Flats Federal 12 #2	0	3
Bone Flats Federal 12 #3	1	9
Bone Flats Federal 12 #4	6	145
Bone Flats Federal 12 #5	1	33
Bone Flats Federal 12 #6	8	28
Comanche Federal "3" #1	0	862
Comanche Federal "3" #2	0	285
MOC Federal #1	0	125
MOC Federal #2	0	161
MOC Federal #3	5	242

<u>Well Name</u>	<u>BOPD</u>	<u>MCFD</u>
MOC Federal #4	3	81
MOC Federal #5	0	153
MOC Federal #6	2	450
MOC Federal #7	1	26
MOC Federal #8 (Morrow)	0	115
Stinking Draw #1	0	7
Stinking Draw #2	0	56
Stinking Draw #3	0	10
Stinking Draw #4	0	11
North Indian Basin Unit Gas Com #3	0	1495
North Indian Basin Unit #7	1	61
North Indian Basin Unit #10	0	17
North Indian Basin Unit #11	0	2
North Indian Basin Unit #12	2	148
North Indian Basin Unit #13	5	256
North Indian Basin Unit #14	1	161
North Indian Basin Unit #15	2	299
North Indian Basin Unit #16	1	270
North Indian Basin Unit #17	0	201
North Indian Basin Unit #18	1	158
North Indian Basin Unit #19	5	123
North Indian Basin Unit #20	3	118
North Indian Basin Unit #21 (Morrow)	0	304
North Indian Basin Unit #22	1	81
North Indian Basin Unit #23	2	43
North Indian Basin Unit #24	0	483
North Indian Basin Unit #25	0	43
North Indian Basin Unit #26	2	76
North Indian Basin Unit #27	1	0
North Indian Basin Unit #30	0	95

Marathon proposes to add the liquid hydrocarbon and water production from the following wells to the commingled production at the MOC Central Facility:

<u>Well Name</u>	<u>BOPD</u>	<u>MCFD</u>
Federal C "35"#1	1	1452
Federal C "35"#2	0	508
Federal C "35"#3	0	3114
Federal C "35"#4	2	3007
Federal IBA Gas Com #1	1	359
Federal IBA Gas Com #2	2	901
Federal IBC Gas Com #1	0	367
Federal IBC Gas Com #2	0	669
Indian Basin "A" #1	0	820
Indian Basin "A" #2	3	975
Indian Basin "A" #3	0	368
Indian Basin "A" #4	7	750

<u>Well Name</u>	<u>BOPD</u>	<u>MCFD</u>
Indian Basin "C" #1	1	343
Indian Basin "C" #2	Shut In	
Indian Basin "C" #3	0	1995
Indian Basin "D" #1	0	533
Indian Basin "D" #2	1	1017
Indian Basin "E" #1	0	265
Indian Basin "E" #2	0	13
North Indian Basin Gas Com #32	3	1644
North Indian Basin Unit #1	3	1534
North Indian Basin Unit #4	2	696
North Indian Basin Unit #5	3	1105
North Indian Basin Unit #8	0	792
North Indian Basin Unit #9	0	178
North Indian Basin Unit #31	0	992
North Indian Basin Unit #34 (Morrow)	0	44
North Indian Basin Unit #36	1	1294
Smith Federal #1	0	473
Smith Federal #2	0	5
Smith Federal #3	1	1722

A schematic diagram of the proposed facility is attached, (See Exhibit 3), which identifies all equipment that is to be utilized and shows the flow path of all production. The API gravity of the liquid hydrocarbons from the Indian Basin Upper Penn Associated Gas Pool is 61.8°, from the Indian Basin Upper Penn Gas Pool is 55.1° and from the South Dagger Draw Upper Penn Associated Gas Pool is 45.5°. The calculated API gravity of the liquid hydrocarbons, after the proposed changes are made will be approximately 50°. There are 2 test separators, 4 production separators and a stack pack for the MOC Federal Well #8 at the MOC Central Facility. A production manifold allows for individual well testing in the test separators while production from the remaining wells of each lease flows to the production separator dedicated to that lease. There is one production separator for the MOC Federal Lease wells, one for the Bone Flats Federal 12 Lease wells, one for the Stinking Draw Lease wells, and one for the North Indian Basin Unit #7, #13, #14, #15, #23 and #26 wells. After separation, the gas production is metered and enters the Loop Gas Gathering system to be transported to the compressors. After separation, the liquid hydrocarbon production is metered, stored in the tanks at this facility and then sold through the two LACT units. The water production, after being separated and measured, is sent to the water storage tanks, located at this facility. The water is then pumped to the SWD wells that comprise the Indian Basin Field produced water disposal system. The stack pack at this facility is dedicated to the MOC Federal Well #8 which produces from the Morrow formation. After separation through the stack pack, the gas production is metered and then enters the Loop Gas Gathering system to be transported to the compressors. The water production is metered and sent to the water storage tanks to be pumped to the Indian Basin Field produced water disposal system. This well does not produce any liquid hydrocarbons.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

Currently the liquid hydrocarbon and water production from the North Indian Basin Unit 11 Satellite Facility are delivered to the MOC Central Facility through two pipelines. One pipeline carries only the liquid hydrocarbon production from the North Indian Basin Unit 11 Satellite Facility separators. The other pipeline carries the water production from these separators as well as the water and liquid hydrocarbons from the Loop Gas Gathering System suction scrubber and compressors located at the North Indian Basin Unit 11 Satellite facility. The liquid hydrocarbon production from the North Indian Basin Unit 11 Satellite Facility separators is processed through the heater treaters, piped to the storage tanks located at the MOC Central Facility and is then sold through the LACT units.

Marathon proposes to pipe the recombined liquid hydrocarbon and water production from the North Indian Basin Unit 11 Satellite Facility and Station 210, 215, 226, 235 and 311 Satellite Facilities through various pipelines to the MOC Central Facility gun barrel tank. The combined liquid hydrocarbon and water production from these Satellite Facilities will be separated through settlement in the gun barrel tank. The liquid hydrocarbon production will be floated over into the oil storage tanks at the MOC Central Facility and sold through the LACT units. The water production will be drained off the bottom of the gun barrel tank and sent to the water storage tanks at this facility. The water will then be pumped to the SWD wells that comprise the Indian Basin water disposal system. A map is enclosed showing the lease numbers and locations of all leases and wells that contribute production to the proposed commingled/common storage facility (Exhibit 1).

NORTH INDIAN BASIN UNIT 11 SATELLITE FACILITY

The North Indian Basin Unit 11 Satellite separation and measurement facility is located at UL "O", Sec. 2, T-21-S, R-23-E. The production from the following wells is commingled in this satellite facility (Oil Conservation Division Commingling Order PLC-124 2nd amendment):

Well Name

Comanche Federal "3" #1
Comanche Federal "3" #2
North Indian Basin Unit Gas Com #3
North Indian Basin Unit #10
North Indian Basin Unit #11
North Indian Basin Unit #12
North Indian Basin Unit #16
North Indian Basin Unit #17
North Indian Basin Unit #18
North Indian Basin Unit #19
North Indian Basin Unit #20
North Indian Basin Unit #21 (Morrow)
North Indian Basin Unit #22
North Indian Basin Unit #24
North Indian Basin Unit #25
North Indian Basin Unit #27
North Indian Basin Unit #30

A schematic diagram of this facility is attached, (See Exhibit 4), which identifies all equipment that will be utilized and shows the proposed flow path of all production.

Currently there are two test separators and two production separators at this satellite facility. A production manifold allows for individual well testing in the test separators while production from the remaining wells flows to the production separator dedicated to that lease. There is one production separator for the Comanche Federal "3" #1 and #2 wells and the North Indian Basin Unit Gas Com #3 well and one production separator for the North Indian Basin Unit wells. The gas production from this facility is measured then enters the Loop Gas Gathering system to be sent to the compressors. After separation, the liquid hydrocarbon and water production is metered using turbine meters. The liquid hydrocarbon production is sent, via pipeline, to the heater treaters at the MOC Central Facility and then is piped to the liquid hydrocarbon storage tanks at the MOC Central Facility to be metered and sold through the LACT units. The water production is combined with the water and liquid hydrocarbons pulled off the Loop Gas Gathering System suction scrubber and the compressors and sent, via pipeline, to the gun barrel tank at the MOC Central Facility. The gas production from the North Indian Basin Unit #21 (Morrow) well, after separation and measurement, is also piped to this satellite facility and enters the Loop Gas Gathering system to be transported to the compressors. The water production from this well is metered at the well location and sent, via pipeline to the wells that comprise the Indian Basin Field produced water disposal system.

Marathon proposes to recombine all liquid hydrocarbon production and water production measured at this facility and send it, through one pipeline, to the gun barrel tank at the MOC Central Facility. It will then be separated and handled as shown in the description of the MOC Central Facility, above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 210 FACILITY

The Station 210 separation and measurement facility is located at UL "M", Sec. 10, T-21-S, R-23-E. The production from the following wells is commingled in this satellite facility (Oil Conservation Division Commingling Order PLC-144, 1st amendment):

Well Name

- North Indian Basin Unit #1
- North Indian Basin Unit #4
- North Indian Basin Unit #8
- North Indian Basin Unit #9
- North Indian Basin Unit #31
- North Indian Basin Unit #34
- North Indian Basin Unit #36

A schematic diagram of the proposed facility is attached, (See Exhibit 5), which identifies all equipment that is being utilized and shows the flow path of all production. There is one 3-phase test separator and one 3-phase production separator at this satellite facility. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. The liquid hydrocarbon and water production are separated and metered using turbine meters. The liquid hydrocarbon production will then be recombined with the water production and will

be sent, via pipeline, to the gun barrel tank at the MOC Central facility to be handled as shown in the description of the MOC Central Facility, above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

The production from the North Indian Basin Unit #34, which produces from the Morrow formation is measured through a 2-phase separator located at this facility. The gas is metered and enters the Loop Gas Gathering System to be sent to the compressors. This well doesn't produce any water or liquid hydrocarbons.

STATION 215 FACILITY

The Station 215 Satellite Facility is located in UL "K", Section 15, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is commingled at this facility (Oil Conservation Division Order PLC-175):

Well Name

North Indian Basin Gas Com #32
Federal IBA Gas Com #1
Federal IBA Gas Com #2
Indian Basin "A" #2
Indian Basin "A" #3
Indian Basin "A" #4

All the above wells are in Township 21 South, Range 23 East. The North Indian Basin Unit Gas Com #32, Federal IBA Gas Com #1, Indian Basin "A" #2, Indian Basin "A" #3, and Indian Basin "A" #4 produce from the Indian Basin Upper Penn Gas Pool. The Federal IBA Gas Com #2 produces from the South Dagger Draw Upper Penn Associated Gas Pool. The Federal IBA Gas Com #1 and #2 and the North Indian Basin Unit Gas Com #32 produce from the Upper Penn (Cisco-Canyon) zone and operate under Communitization Agreement SW-280.

A schematic diagram of the proposed facility is attached, (See Exhibit 6), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of five 3-phase separators. Two of these separators are used to measure the production from the Indian Basin "A" #2, #3, and #4 wells. One is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. The Federal IBA Gas Com #1, #2 and the North Indian Basin Gas Com #32 wells, are individually measured through the three remaining separators. Gas production is measured and then enters the Loop Gas Gathering system to be sent to the compressors. The liquid hydrocarbon and water production are separated and metered using turbine meters. The liquid hydrocarbon production will then be recombined with the water production and will be sent, via pipeline, to the gun barrel tank at the MOC Central facility to be handled as shown in the description of the MOC Central Facility, above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 226 FACILITY (SOUTH INDIAN BASIN)

The Station 226 measurement and storage facility is located in UL "F", Section 26, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is commingled at this facility (Oil Conservation Division Order CTB-482 – 1st Amendment):

Well Name

- Indian Basin "C" #1
- Indian Basin "C" #2
- Indian Basin "C" #3
- Indian Basin "A" #1
- Indian Basin "D" #1
- Indian Basin "D" #2
- Indian Basin "E" #1
- Indian Basin "E" #2
- Federal Indian Basin "C" Gas Com #1
- Federal Indian Basin "C" Gas Com #2

A schematic diagram of the proposed facility is attached, (See Exhibit 7), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of three 3-phase separators, a gun barrel tank, a water storage tank and a liquid hydrocarbon storage tank. Two of the separators are used to measure the production from the Indian Basin "C" #1, #2, and #3 wells. One is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. The Indian Basin "A" #1 is individually measured through the remaining separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. The liquid hydrocarbon and water production are metered, using turbine meters, and are then recombined and sent to the on site gun barrel tank. The liquid hydrocarbon and water production from the Station 227 and Station 229 Satellite Facilities, which are recombined after measurement, are also piped into this gun barrel tank. The commingled fluids from Station 226, 227 and 229 Satellite Facilities, will then be piped to the gun barrel tank at the MOC Central Facility to be handled as shown in the description of the MOC Central Facility above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 227 FACILITY

The Station 227 measurement and storage facility is located in UL "K", Section 27, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is commingled at this facility (Oil Conservation Division Order CTB-484):

WELL NAME

- Indian Basin "D" #1
- Indian Basin "D" #2
- Indian Basin "E" #1
- Indian Basin "E" #2

A schematic diagram of the proposed facility is attached, (See Exhibit 8), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of three 3-phase separators. One of these separators is used to measure the production from the Indian Basin "D" #1 and #2 wells, and one is used to measure the production from the Indian Basin "E" #1 and #2 wells. The remaining separator is used as a test separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separators dedicated to each lease. Gas production is measured and then enters the Loop Gas Gathering system to be sent to the compressors. After being metered, the liquid hydrocarbon and water production are recombined and sent, via pipeline, to the gun barrel tank located at the Station 226 Facility to be handled as shown in the above description.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 229 FACILITY

The Station 229 measurement facility is located in UL "J", Section 29, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells is measured at this facility:

WELL NAME

- Federal Indian Basin "C" Gas Com #1 _____
 - Federal Indian Basin "C" Gas Com #2 _____
- 1.B. U. Perm*

A schematic diagram of the proposed facility is attached, (See Exhibit 9), which identifies all equipment that is being utilized and shows the flow path of all production. This facility consists of one 3-phase separator. The production from both wells is separated and measured through this separator. A well test for each well is obtained by shutting in the wells one at a time. Gas production is measured and then enters the Loop Gas Gathering System to be sent to the compressors. After being metered, using turbine meters, the liquid hydrocarbon and water production are recombined and sent, via pipeline, to the gun barrel tank located at the Station 226 Facility to be handled as shown in the above description.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 235 FACILITY

The Station 235 measurement facility is located in UL "M", Section 35, T-21-S, R-23-E, Eddy County, New Mexico. The production from the following wells, all located within Section 35, is measured at this facility:

WELL NAME

Federal "C" 35 #1) SVD U.P. ASS.
Federal "C" 35 #2)
Federal "C" 35 #3) I.B. U. P. ASS.
Federal "C" 35 #4)

A schematic diagram of the proposed facility is attached, (See Exhibit 10), which identifies all equipment that is being utilized and shows the flow path of all production. There are two 3-phase separators at this satellite facility, one is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. After being metered, using turbine meters, the liquid hydrocarbon and water production are sent to the storage tank at this facility where it will be combined with the liquid hydrocarbon and water production from the Station 311 Facility. This commingled production will then be sent, via pipeline, to the gun barrel tank at the MOC Central Facility to be handled as shown in the above description.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

STATION 311 FACILITY

The Station 311 storage and measurement facility is located in UL "F", Section 11, T-22-S, R-23-E, Eddy County, New Mexico. The production from the following wells, all located within Section 11, is measured at this facility:

WELL NAME

Smith Federal #1) - I.B. U.P.
Smith Federal #2)
Smith Federal #3) - I.B. U.P. ASS.

The Smith Federal #1 and #2 wells produce from the Indian Basin Upper Penn Gas Pool (79040). The Smith Federal #3 produces from the Indian Basin Upper Penn Associated Gas Pool (33685).

A schematic diagram of the proposed facility is attached, (See Exhibit 11), which identifies all equipment that is being utilized and shows the flow path of all production. There are two 3-phase separators at this satellite facility, one is a test separator, the other is a production separator. A production manifold allows for individual well testing in the test separator while production from the remaining wells flows to the production separator. Gas is measured and then enters the Loop Gas Gathering system to be sent to the compressors. After being metered, using turbine meters, the liquid hydrocarbon production will be recombined with the water production and will be piped to the tank at the Station 235 Facility to be handled as shown in the Station 235 Facility description above.

The method for allocating production to each well is as follows:

$$\frac{\text{Individual Well Test x Producing Days}}{\text{Total (Well Tests x Producing Days) for all wells}} \times (\text{Total Lease Production}) = \text{Allocated Volume}$$

WELL NAME	No	STATION NUMBER	API NUMBER	TWN	RNG	SEC	U/L or Lot #	Feet From N/S Line	Feet From E/W Line	State / Fed	Lease Number	UNIT OR COM NUMBER	RESERVOIR	OGRID PROP CODE	OGRID POOL CODE	MOC STATUS
BONE FLATS 12 FEDERAL COM	1	MOC CENTRAL	3001528021	21S	23E	12	D	990 FNL	990 FWL	FED	NM 05608	NM 91035	SDD UPPER PENN ASSOC.	15242	15475	ACTIVE
BONE FLATS 12 FEDERAL COM	2	MOC CENTRAL	3001528304	21S	23E	12	E	1980 FNL	660 FWL	FED	NM 05608	NM 91035	SDD UPPER PENN ASSOC.	15242	15475	ACTIVE
BONE FLATS 12 FEDERAL COM	3	MOC CENTRAL	3001528529	21S	23E	12	L	1980 FSL	760 FWL	FED	NM 81677	NM 91035	SDD UPPER PENN ASSOC.	15242	15475	ACTIVE
BONE FLATS 12 FEDERAL COM	4	MOC CENTRAL	3001528675	21S	23E	12	M	660 FSL	660 FWL	FED	NM 05551 A	NM 91035	SDD UPPER PENN ASSOC.	15242	15475	ACTIVE
BONE FLATS 12 FEDERAL COM	5	MOC CENTRAL	3001528847	21S	23E	12	F	1980 FNL	1650 FWL	FED	NM 05608	NM 91035	SDD UPPER PENN ASSOC.	15242	15475	ACTIVE
BONE FLATS 12 FEDERAL COM	6	MOC CENTRAL	3001529192	21S	23E	12	N	660 FSL	1980 FWL	FED	NM 05551 A	NM 91035	SDD UPPER PENN ASSOC.	15242	15475	ACTIVE
COMANCHE FED "3"	1	NIBU 11 SAT	3001528720	21S	23E	3	G	1650 FNL	1850 FEL	FED	NM0384623	NM SW 242	SDD UPPER PENN ASSOC.	17954	15475	ACTIVE
COMANCHE FED "3"	2	NIBU 11 SAT	3001529972	21S	23E	3	A	660 FNL	660 FEL	FED	NM0384623	NM SW 242	SDD UPPER PENN ASSOC.	17954	15475	ACTIVE
FEDERAL C "35"	1	STATION 235	3001510403	21S	23E	35	F	1650 FNL	1650 FWL	FED	NM 06953		SDD UPPER PENN ASSOC.	16957	15475	ACTIVE
FEDERAL C "35"	2	STATION 235	3001527629	21S	23E	35	M	800 FSL	800 FWL	FED	NM06953		SDD UPPER PENN ASSOC.	16957	15475	ACTIVE
FEDERAL C "35"	3	STATION 235	3001530619	21S	23E	35	J	1500 FSL	2080 FEL	FED	NM06953		IB UPPER PENN ASSOC.	16957	33685	ACTIVE
FEDERAL C "35"	4	STATION 235	3001532453	21S	23E	35	G	2310 FNL	1980 FEL	FED	NM06953		IB UPPER PENN ASSOC.	16957	33685	ACTIVE
FEDERAL IBA GAS COM	1	STATION 215	3001510556	21S	23E	15	K	1650 FSL	1650 FWL	FED	NM05612A	SW 280	IB UPPER PENN	6390	79040	ACTIVE
FEDERAL IBA GAS COM	2	STATION 215	3001530041	21S	23E	15	I	1980 FSL	660 FEL	FED	NM0384628	SW 280	SDD UPPER PENN ASSOC.	6390	15475	ACTIVE
FEDERAL IBC GAS COM	1	STATION 229	3001510788	21S	23E	29	J	1700 FSL	1550 FEL	FED	NM 0384625	SW 342	IB UPPER PENN	6392	79040	ACTIVE
FEDERAL IBC GAS COM	2	STATION 229	3001531396	21S	23E	29	P	860 FSL	660 FEL	FED	NM0384625	SW 342	IB UPPER PENN	6392	79040	ACTIVE
INDIAN BASIN A	1	226-IND. SEP.	3001500034	21S	23E	22	J	1650 FSL	1650 FEL	FED	NM05612-A		IB UPPER PENN	6404	79040	ACTIVE
INDIAN BASIN A	2	STATION 215	3001526011	21S	23E	22	K	1650 FSL	1650 FWL	FED	NM05612-A		IB UPPER PENN	6404	79040	ACTIVE
INDIAN BASIN A	3	STATION 215	3001527932	21S	23E	22	F	1650 FNL	1650 FWL	FED	NM05612-A		IB UPPER PENN	6404	79040	ACTIVE
INDIAN BASIN A	4	STATION 215	3001531469	21S	23E	22	G	1650 FNL	1650 FEL	FED	NM05612-A		IB UPPER PENN	6404	79040	ACTIVE
INDIAN BASIN C	1	STATION 226	3001510332	21S	23E	26	F	1650 FNL	1650 FWL	FED	NM070522-A		IB UPPER PENN	6405	79040	ACTIVE
INDIAN BASIN C	2	STATION 226	3001528167	21S	23E	26	M	990 FSL	660 FWL	FED	NM070522-A		IB UPPER PENN	6405	79040	INACTIVE
INDIAN BASIN C	3	STATION 226	3001531112	21S	23E	26	J	1360 FSL	2200 FEL	FED	NM070522-A		IB UPPER PENN	6405	79040	ACTIVE
INDIAN BASIN D	1	STATION 227A	3001510616	21S	23E	34	K	1650 FSL	1650 FWL	FED	NM034446		IB UPPER PENN	6406	79040	ACTIVE
INDIAN BASIN D	2	STATION 227A	3001528955	21S	23E	34	D	1650 FNL	1650 FWL	FED	NM034446		IB UPPER PENN	6406	79040	ACTIVE
INDIAN BASIN E	1	STATION 227B	3001510617	21S	23E	27	K	1650 FSL	1650 FWL	FED	NM070522-A		IB UPPER PENN	6407	79040	ACTIVE
INDIAN BASIN E	2	STATION 227B	3001529017	21S	23E	27	K	1850 FNL	1950 FWL	FED	NM070522A		IB UPPER PENN	6407	79040	ACTIVE
MOC FEDERAL	1	MOC CENTRAL	3001527928	21S	23E	1	B	990 FNL	1855 FEL	FED	NM 04827B		SDD UPPER PENN ASSOC.	14838	15475	ACTIVE
MOC FEDERAL	2	MOC CENTRAL	3001527984	21S	23E	1	J	1980 FSL	1980 FEL	FED	NM 04827B		SDD UPPER PENN ASSOC.	14838	15475	ACTIVE
MOC FEDERAL	3	MOC CENTRAL	3001528045	21S	23E	1	D	760 FNL	660 FWL	FED	NM 04827B		SDD UPPER PENN ASSOC.	14838	15475	ACTIVE
MOC FEDERAL	4	MOC CENTRAL	3001528071	21S	23E	1	L	1980 FSL	660 FWL	FED	NM 04827B		SDD UPPER PENN ASSOC.	14838	15475	ACTIVE
MOC FEDERAL	5	MOC CENTRAL	3001528117	21S	23E	1	F	1650 FNL	1650 FWL	FED	NM 04827B		SDD UPPER PENN ASSOC.	14838	15475	ACTIVE
MOC FEDERAL	6	MOC CENTRAL	3001528285	21S	23E	1	M	860 FSL	660 FWL	FED	NM 04827B		SDD UPPER PENN ASSOC.	14838	15475	ACTIVE
MOC FEDERAL	7	MOC CENTRAL	3001528309	21S	23E	1	N	890 FSL	1750 FWL	FED	NM 04827B		SDD UPPER PENN ASSOC.	14838	15475	ACTIVE
MOC FEDERAL	8	MOC CENTRAL	3001528823	21S	23E	1	K	2030 FSL	1650 FWL	FED	NM 04827B		IB MORROW	14838	15475	ACTIVE
N. INDIAN BASIN UNIT	1	STATION 210	3001510065	21S	23E	10	M	660 FSL	660 FWL	FED	NM 05608	891008508-O	IB UPPER PENN	6411	79040	ACTIVE
N. INDIAN BASIN UNIT	2	TA	3001510336	21S	23E	11	G	1650 FNL	1650 FEL	FED	NM 05608	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	INACTIVE
N. INDIAN BASIN UNIT	4	STATION 210	3001510558	21S	23E	16	J	1650 FSL	1651.3 FEL	STATE	NM1832	891008508-O	IB UPPER PENN	6411	79040	ACTIVE
N. INDIAN BASIN UNIT	5	STATION 210	3001510559	21S	23E	9	K	1815 FSL	1752 FEL	FED	NM 51107	891008508-O	IB UPPER PENN	6411	79040	ACTIVE
N. INDIAN BASIN UNIT	7	MOC CENTRAL	3001520089	21S	23E	11	K	1650 FSL	1650 FWL	FED	NM 05551	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	8	STATION 210	3001526324	21S	23E	9	N	330 FSL	1650 FWL	FED	NM05551	891008508-O	IB UPPER PENN	6411	79040	ACTIVE
N. INDIAN BASIN UNIT	9	STATION 210	3001527917	21S	23E	16	K	1650 FSL	1775 FWL	STATE	E 10170	891008508-O	IB UPPER PENN	6411	79040	ACTIVE
N. INDIAN BASIN UNIT	10	NIBU 11 SAT	3001527930	21S	23E	11	C	330 FNL	2310 FWL	FED	NM 05551	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	11	NIBU 11 SAT	3001528232	21S	23E	2	O	660 FSL	1980 FEL	STATE	E 10170	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	12	NIBU 11 SAT	3001528258	21S	23E	2	M	660 FSL	660 FWL	STATE	E7906	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	13	MOC CENTRAL	3001528068	21S	23E	2	H	2050 FNL	660 FEL	FED	NM 05551	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	14	MOC CENTRAL	3001528143	21S	23E	2	LOT 2	660 FNL	2310 FEL	FED	NM 05551	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	15	MOC CENTRAL	3001528305	21S	23E	2	F	1980 FNL	1830 FWL	FED	NM 04827 B	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	16	NIBU 11 SAT	3001528287	21S	23E	11	I	1980 FSL	825 FEL	FED	NM 05551	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	17	NIBU 11 SAT	3001528386	21S	23E	11	A	990 FNL	660 FEL	FED	NM 05608	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	18	NIBU 11 SAT	3001528435	21S	23E	2	J	2310 FSL	1650 FEL	STATE	E 7906	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	19	NIBU 11 SAT	3001528385	21S	23E	11	O	990 FSL	1986 FEL	FED	NM 05551	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	20	NIBU 11 SAT	3001528384	21S	23E	2	K	1650 FSL	2310 FWL	STATE	E 7906	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
N. INDIAN BASIN UNIT	21	INDIVIDUAL SEP.	3001528621	21S	23E	11	F	2245 FNL	1815 FWL	FED	NM 05608	891008508-A	IB MORROW	6411	79040	ACTIVE

2/2

WELL NAME	No	STATION NUMBER	API NUMBER	TWN	RNG	SEC	U/L or Lot #	Feet From N/S Line	Feet From E/W Line	State / Fed	Lease Number	UNIT OR COM NUMBER	RESERVOIR	OGRID PROP CODE	OGRID POOL CODE	MOC STATUS
INDIAN BASIN UNIT	22	NIBU 11 SAT	3001528583	21S	23E	11	M	760 FSL	990 FWL	FED	NM 05551	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
INDIAN BASIN UNIT	23	MOC CENTRAL	3001528578	21S	23E	2	D	760 FNL	760 FWL	FED	NM 04827 B	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
INDIAN BASIN UNIT	24	NIBU 11 SAT	3001528814	21S	23E	11	D	122 FNL	310 FWL	FED	NM 05608	891008508-O	SDD UPPER PENN ASSOC.	6411	15745	ACTIVE
INDIAN BASIN UNIT	25	NIBU 11 SAT	3001528857	21S	23E	11	G	2310 FNL	1894 FEL	FED	NM 05608	891008508-O	SDD UPPER PENN ASSOC.	6411	15745	ACTIVE
INDIAN BASIN UNIT	26	MOC CENTRAL	3001528782	21S	23E	2	E	2310 FNL	660 FWL	FED	NM 04827 B	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
INDIAN BASIN UNIT	27	NIBU 11 SAT	3001528977	21S	23E	11	L	2340 FSL	255 FWL	FED	NM 05608	891008508-O	SDD UPPER PENN ASSOC.	6411	15745	ACTIVE
INDIAN BASIN UNIT	30	NIBU 11 SAT	3001529059	21S	23E	10	A	660 FNL	660 FEL	FED	NM 05608	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
INDIAN BASIN UNIT	31	STATION 210	3001530111	21S	23E	10	J	1980 FSL	1980 FEL	FED	NM 05608	891008508-O	SDD UPPER PENN ASSOC.	6411	15475	ACTIVE
INDIAN BASIN UNIT	34	INDIVIDUAL SEP.	3001529296	21S	23E	4	P	660 FSL	660 FEL	FED	NM 05607	891008508-A	IB MORROW	6413	78960	ACTIVE
INDIAN BASIN UNIT	36	NIBU 11 SAT	3001531048	21S	23E	16	F	2210 FNL	1650 FWL	STATE	NM 1832	891008508-O	IB UPPER PENN	6413	79040	ACTIVE
INDIAN BASIN UNIT GAS COM	3	NIBU 11 SAT	3001510557	21S	23E	3	K	1650 FSL	2310 FWL	FED	NM 05608	NM SW 242	IB UPPER PENN	6412	79040	ACTIVE
INDIAN BASIN UNIT GAS COM	32	STATION 215	3001529305	21S	23E	15	F	1750 FNL	1650 FWL	FED	NM 05608	NM SW 280	IB UPPER PENN	6412	79040	ACTIVE
INDIAN BASIN UNIT GAS COM A	6	TA	3001520061	21S	23E	4	J	1650 FSL	1650 FEL	FED	NM 05607		IB UPPER PENN	6412	79040	INACTIVE
MITH FEDERAL	1	STATION 311	3001510567	22S	23E	11	F	1650 FNL	1650 FWL	FED	NM0251099A		IB UPPER PENN	16958	79040	ACTIVE
MITH FEDERAL	2	STATION 311	3001529789	22S	23E	11	L	1465 FSL	800 FWL	FED	NM0251099A		IB UPPER PENN	16958	79040	ACTIVE
MITH FEDERAL	3	STATION 311	3001531342	22S	23E	11	H	1514 FNL	870 FEL	FED	NM 0251099A		IB UPPER PENN ASSOC.	16958	33685	ACTIVE
TINKING DRAW	1	MOC CENTRAL	3001527891	20.5 S	23E	36	LOT 2	660 FNL	1650 FEL	STATE	E 10169		SDD UPPER PENN ASSOC.	13964	15475	ACTIVE
TINKING DRAW	2	MOC CENTRAL	3001527976	20.5 S	23E	36	F	660 FSL	1980 FWL	STATE	E 10169		SDD UPPER PENN ASSOC.	13964	15475	ACTIVE
TINKING DRAW	3	MOC CENTRAL	3001527861	20.5 S	23E	36	D	990 FNL	990 FWL	STATE	E 10169		SDD UPPER PENN ASSOC.	13964	15475	ACTIVE
TINKING DRAW	4	MOC CENTRAL	3001528589	20.5 S	23E	36	O	970 FSL	2076 FEL	STATE	E 10169		SDD UPPER PENN ASSOC.	13964	15475	ACTIVE

EXHIBIT 2 *continued*



P.O. Box 552
Midland, TX 79702-0552
Telephone 432/682-1626

September 23, 2003

Working and Royalty Interest Owners
(Mailing List Attached)

Re: Amendment of Commingling Orders PLC-124, PLC-144, PLC-175, CTB-482, and CTB-484

State and Federal Leases and Communitization Agreements Affected: E-10169, E-10170, E-7906, NM-1832, NM-0251099-A, NM-34446, NM-384623, NM-384625, NM-384628, NM-4827-B, NM-51107, NM-05551, NM-05551-A, NM-05607, NM-05608, NM-05612-A, NM-06953, NM-70522-A, NM-81677, Unit Agreement 891008508-O and Com Agreements NM SW-242, SW-342, SW-280 and NM 91035, located in Townships 20, 20.5, 21 and 22 South, Ranges 23 and 24 East, Eddy County, New Mexico

Ladies and Gentlemen:

Marathon Oil Company is proposing to amend the Indian Basin Field Commingling, Off-Lease Storage, Measurement, and Sales agreement in order to increase gas and oil production by reducing system operating pressures. This amendment will supersede Oil Conservation Division Commingling Orders PLC-124, 2nd Amendment, PLC-144, 1st Amendment, PLC-175, CTB-482, 1st Amendment, and CTB-484. Currently separator pressures must be kept high to push oil into the Indian Basin Gas Plant liquid gathering system. This work will allow separator pressures to be reduced by up to 50 psi immediately at some sites and will allow for additional pressure reduction in the future. As reservoir pressure at Indian Basin continues to decline, the ability to reduce separator pressure becomes critical to keeping production rates higher for a longer period of time. While the main value of this work is increased gas and oil production, it is likely that a higher price will be received for the condensate by commingling it with other oil at the MOC Central Facility rather than sending it to the Gas Plant for sale.

Marathon proposes to change only the point of sale for some of the liquid hydrocarbon production covered by the above referenced Commingling Orders. These changes will not affect the measurement methods already agreed upon in these documents. A copy of the application is attached and explains the proposed changes in detail.

Our records indicate that you are an interest owner in one of the subject leases and, as such, pursuant to New Mexico Oil Conservation Division rules and regulations, are requested to provide your consent to this proposal. Please indicate your approval by signing in the space below and returning one copy of this letter to this office in the enclosed envelope. The second copy is for your files. If you have any objections to this application, please contact the New Mexico Oil Conservation Division Office at 1220 S. St. Francis Drive, Santa Fe, NM 87505, (505) 476-3440. If you have any questions, please call me at (915) 687-8321. Your prompt attention to this matter will be greatly appreciated.

Sincerely,

Ginny Larke
Engineer Technician

Approved this _____ day of _____, 2003

Printed Name: _____

Title: _____

Company Name (if applicable): _____

Attachments

Royalty and Overriding Royalty Owners

BONE FLAT										
DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
140362	BRYAN BELL FAMILY LTD PARTNERSHIP1		BRYAN BELL FAMILY LTD PARTNERSHIP1		1331 THIRD ST		NEW ORLEANS	LOUISIANA	70130-5743	OR
140362	HUGH E HANAGAN		HUGH E HANAGAN		PO BOX 1737		ROSWELL	NEW MEXICO	88202-1737	OR
140362	LEIF HELTON OLSON ESTATE		LEIF HELTON OLSON ESTATE		2702 56TH ST		LUBBOCK	TEXAS	79413-4916	OR
140362	MARATHON OIL CO		MARATHON OIL CO		539 S MAIN ST		LINDLAY	OHIO	45840-3229	OR
140362	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	PO BOX 5810 TA		DENVER	COLORADO	80217-5810	RI
140362	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	PO BOX 1887		SANTA FE	NEW MEXICO	87504-1887	OR

STINKING DRAW										
DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
140361	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	PO BOX 1148		SANTA FE	NEW MEXICO	87504-1148	RI

COMANCHE FED 3										
DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
140363	ANN H STROMBERG		ANN H STROMBERG		274 SAN LUIS PLACE		CLAREMONT	CALIFORNIA	91711-1746	OR
140363	BANK OF AMERICA NA ESCROW AGENT		BANK OF AMERICA NA ESCROW AGENT		SABINE ROYALTY TRUST LBX 840887		DALLAS	TEXAS	75284-0887	OR
140363	BRIAN PATRICK MCCOY		BRIAN PATRICK MCCOY		1708 MEADOW CREST LANE		MANSFIELD	TEXAS	76063-2941	OR
140363	C JOHN AND DIANA R MCINTYRE JTWS		C JOHN AND DIANA R MCINTYRE JTWS		732 CLOYDEN RD		PALOS VERDES ESTATES	CALIFORNIA	90274-1833	OR
140363	CITIZENS BK AND TR OF ARDMORE OK	T C AND JUNE B STROMBERG REV TRUST	CITIZENS BK AND TR OF ARDMORE OK	T C AND JUNE B STROMBERG REV TRUST	P O BOX 277		ARDMORE	OKLAHOMA	73402	OR
140363	COMMISSIONER OF PUBLIC LANDS		COMMISSIONER OF PUBLIC LANDS		PO BOX 791		SANTA FE	NEW MEXICO	87504-0791	RI
140363	DAVID L STARK		DAVID L STARK		313 BALSAM		LAKE JACKSON	TEXAS	77566-6121	OR
140363	DEBORAH ANN STARK WORTHAM		DEBORAH ANN STARK WORTHAM		6106 WALNUT DR		TUTTLE	OKLAHOMA	73089-7508	OR
140363	EDITH BIVINS		EDITH BIVINS		515 6TH AVE N		CALDWELL	IDAHO	83605-2962	OR
140363	FIRST CENTURY OIL INC		FIRST CENTURY OIL INC		PO BOX 1518		ROSWELL	NEW MEXICO	88202-1518	OR
140363	GATES PROPERTIES LTD		GATES PROPERTIES LTD		PO BOX 81119		MIDLAND	TEXAS	79708-1119	OR
140363	HELEN GATES MAXWELL		HELEN GATES MAXWELL		218 ALDERSGATE CIRCLE GIVENS ESTS		ASHEVILLE	NORTH CAROLINA	28803-2044	OR
140363	HUGH E HANAGAN		HUGH E HANAGAN		PO BOX 1737		ROSWELL	NEW MEXICO	88202-1737	OR
140363	JACK D STARK		JACK D STARK		RR 1 BOX 15A		FITZHUGH	OKLAHOMA	74843-9705	OR
140363	JOHN W GATES LLC		JOHN W GATES LLC		706 WEST GRAND AVENUE		ARTESIA	NEW MEXICO	88210	OR
140363	JON STROMBERG		JON STROMBERG		12101 N MACARTHUR 213		OKLAHOMA CITY	OKLAHOMA	73162-1800	OR
140363	KAREN K STARK BARTON		KAREN K STARK BARTON		2628 SW 45TH ST		OKLAHOMA CITY	OKLAHOMA	73119-4611	OR
140363	L M STARK		L M STARK		305 FRONTERA		BORGER	TEXAS	79007-8076	OR
140363	LAURA ANN MCCOY LINDSEY		LAURA ANN MCCOY LINDSEY		PO BOX 1137		ARTESIA	NEW MEXICO	88211-1137	OR
140363	LEIF HELTON OLSON ESTATE		LEIF HELTON OLSON ESTATE		2702 56TH ST		LUBBOCK	TEXAS	79413-4916	OR
140363	MARY ADELE STROMBERG PERRY		MARY ADELE STROMBERG PERRY		123 BEACHVIEW WAY		RUNAWAY BAY	TEXAS	76426-9740	OR
140363	MARY JANE STARK HENDERSON		MARY JANE STARK HENDERSON		347 HILLSIDE CIR		BURLESON	TEXAS	76028-5225	OR
140363	MARY LOU GIBBS		MARY LOU GIBBS		1700 RIVERSIDE DR APT NO. B519		TULSA	OKLAHOMA	74119-4677	OR
140363	MARY LOVE STROMBERG TRUST	MARY LOVE STROMBERG TRUSTEE	MARY LOVE STROMBERG TRUST	MARY LOVE STROMBERG TRUSTEE	PO BOX 1412		ARDMORE	OKLAHOMA	73402-1412	OR
140363	MICHAEL FRANCIS MCCOY		MICHAEL FRANCIS MCCOY		CENTRO COLON, 2do PISO	OFICINA 2-10	FINDLAY	OHIO	45840	OR
140363	MICHAEL RAY STARK		MICHAEL RAY STARK		6510 ELLSWORTH RD		FORT SMITH	ARKANSAS	72903-2656	OR
140363	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	PO BOX 5810 TA		DENVER	COLORADO	80217-5810	RI
140363	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	PO BOX 1887		SANTA FE	NEW MEXICO	87504-1887	OR
140363	ROBERT L BERGMAN	JACQUELINE R BERGMAN REVOCABLE TR	ROBERT L BERGMAN	JACQUELINE R BERGMAN REVOCABLE TR	DATED 04/20/88	2515 GAYE DRIVE	ROSWELL	NEW MEXICO	88201-3424	OR
140363	SARA S JONES		SARA S JONES		1203 VERNON RD		ARDMORE	OKLAHOMA	73401-3653	OR
140363	SARANN CO	ATTN SARA STROMBERG JONES	SARANN CO	ATTN SARA STROMBERG JONES	1203 VERNON RD		ARDMORE	OKLAHOMA	73401-3653	OR
140363	TESSA NICOLE STARK	JERRY D STARK CUSTODIAN	TESSA NICOLE STARK	JERRY D STARK CUSTODIAN	1878 PUTNAM DR		BARTLESVILLE	OKLAHOMA	74006-6804	OR
140363	THE HILL FOUNDATION	WELLS FARGO BANK NA TRUSTEE	THE HILL FOUNDATION	WELLS FARGO BANK NA TRUSTEE	OGM MAC C7324 038	PO BOX 5383	DENVER	COLORADO	80217-5383	OR
140363	VIRGINIA GATES IRISH		VIRGINIA GATES IRISH		7450 OLIVETOS AVE APT 154		LA JOLLA	CALIFORNIA	92037-4902	OR
140363	W B STARK		W B STARK		2300 WEST TAYLOR APT 201		SHERMAN	TEXAS	75092-0000	OR
140363	WALLACE AND VERGINE GATES FAMILY TR	VERGINE RUSSELL GATES TRUSTEE	WALLACE AND VERGINE GATES FAMILY TR	VERGINE RUSSELL GATES TRUSTEE	700 BEATTY RD APT 350	BEATTY POINTE VILLAGE	MONROEVILLE	PENNSYLVANIA	15146	OR
140363	WESTWAY PETRO		WESTWAY PETRO		500 N AKARD ST STE 200		DALLAS	TEXAS	75201-6615	OR
140363	WHEATLEY TRUST AGENCY	FIRST NATL BANK OF ARTESIA AGENT	WHEATLEY TRUST AGENCY	FIRST NATL BANK OF ARTESIA AGENT	PO DRAWER AA		ARTESIA	NEW MEXICO	88211-7526	OR
140363	WILLIAM DOUGLASS MCCOY		WILLIAM DOUGLASS MCCOY		10359 BOBCAT BLUFF		SAN ANTONIO	TEXAS	78251	OR
140363	WILLIAM H STROMBERG TRUST	WILLIAM H STROMBERG TRUSTEE	WILLIAM H STROMBERG TRUST	WILLIAM H STROMBERG TRUSTEE	PO BOX 1412		ARDMORE	OKLAHOMA	73402-1412	OR

FEDERAL IBA										
DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
140320	ANN H STROMBERG		ANN H STROMBERG		274 SAN LUIS PLACE		CLAREMONT	CALIFORNIA	91711-1746	OR
140320	BANK OF AMERICA NA ESCROW AGENT		BANK OF AMERICA NA ESCROW AGENT		SABINE ROYALTY TRUST LBX 840887		DALLAS	TEXAS	75284-0887	OR
140320	BRIAN PATRICK MCCOY		BRIAN PATRICK MCCOY		1708 MEADOW CREST LANE		MANSFIELD	TEXAS	76063-2941	OR
140320	C JOHN AND DIANA R MCINTYRE JTWS		C JOHN AND DIANA R MCINTYRE JTWS		732 CLOYDEN RD		PALOS VERDES ESTATES	CALIFORNIA	90274-1833	OR
140320	CITIZENS BK AND TR OF ARDMORE OK	T C AND JUNE B STROMBERG REV TRUST	CITIZENS BK AND TR OF ARDMORE OK	T C AND JUNE B STROMBERG REV TRUST	P O BOX 277		ARDMORE	OKLAHOMA	73402	OR
140320	COMMISSIONER OF PUBLIC LANDS		COMMISSIONER OF PUBLIC LANDS		PO BOX 791		SANTA FE	NEW MEXICO	87504-0791	RI
140320	FIRST CENTURY OIL INC		FIRST CENTURY OIL INC		PO BOX 1518		ROSWELL	NEW MEXICO	88202-1518	OR
140320	GATES PROPERTIES LTD		GATES PROPERTIES LTD		PO BOX 81119		MIDLAND	TEXAS	79708-1119	OR
140320	HELEN GATES MAXWELL		HELEN GATES MAXWELL		218 ALDERSGATE CIRCLE GIVENS ESTS		ASHEVILLE	NORTH CAROLINA	28803-2044	OR
140320	HUGH E HANAGAN		HUGH E HANAGAN		PO BOX 1737		ROSWELL	NEW MEXICO	88202-1737	OR
140320	JOHN W GATES LLC		JOHN W GATES LLC		706 WEST GRAND AVENUE		ARTESIA	NEW MEXICO	88210	OR
140320	JON STROMBERG		JON STROMBERG		12101 N MACARTHUR 213		OKLAHOMA CITY	OKLAHOMA	73162-1800	OR
140320	LAURA ANN MCCOY LINDSEY		LAURA ANN MCCOY LINDSEY		PO BOX 1137		ARTESIA	NEW MEXICO	88211-1137	OR
140320	LEIF HELTON OLSON ESTATE		LEIF HELTON OLSON ESTATE		2702 56TH ST		LUBBOCK	TEXAS	79413-4916	OR
140320	MARY ADELE STROMBERG PERRY		MARY ADELE STROMBERG PERRY		123 BEACHVIEW WAY		RUNAWAY BAY	TEXAS	76426-9740	OR
140320	MARY JANE CLINGMAN		MARY JANE CLINGMAN		4416 MCFARLIN BLVD		DALLAS	TEXAS	75205-1631	OR
140320	MARY LOVE STROMBERG TRUST	MARY LOVE STROMBERG TRUSTEE	MARY LOVE STROMBERG TRUST	MARY LOVE STROMBERG TRUSTEE	PO BOX 1412		ARDMORE	OKLAHOMA	73402-1412	OR

Royalty and Overriding Royalty Owners

140320	MICHAEL FRANCIS MCCOY		MICHAEL FRANCIS MCCOY		CENTRO COLON, 2do PISO	OFICINA 2-10	FINDLAY	OHIO	45840	OR
140320	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	PO BOX 5810 TA		DENVER	COLORADO	80217-5810	RI
140320	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	PO BOX 5810 TA		DENVER	COLORADO	80217-5810	RI
140320	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	PO BOX 1887		SANTA FE	NEW MEXICO	87504-1887	OR
140320	ROBERT L BERGMAN	JACQUELINE R BERGMAN REVOCABLE TR	ROBERT L BERGMAN	JACQUELINE R BERGMAN REVOCABLE TR	DATED 04/20/88	2515 GAYE DRIVE	ROSWELL	NEW MEXICO	88201-3424	OR
140320	SARA S JONES		SARA S JONES		1203 VERNON RD		ARDMORE	OKLAHOMA	73401-3653	OR
140320	SARANN CO	ATTN SARA STROMBERG JONES	SARANN CO	ATTN SARA STROMBERG JONES	1203 VERNON RD		ARDMORE	OKLAHOMA	73401-3653	OR
140320	SOUTHWEST ROYALTIES INC	REVENUE ACCOUNT	SOUTHWEST ROYALTIES INC	REVENUE ACCOUNT	PO BOX 678066		DALLAS	TEXAS	75267	OR
140320	THE HILL FOUNDATION	WELLS FARGO BANK NA TRUSTEE	THE HILL FOUNDATION	WELLS FARGO BANK NA TRUSTEE	OGM MAC C7324 038	PO BOX 5383	DENVER	COLORADO	80217-5383	OR
140320	THELMA G THOMPSON		THELMA G THOMPSON		PO BOX 1576		UNVALDE	TEXAS	78802-1576	OR
140320	VIRGINIA GATES IRISH		VIRGINIA GATES IRISH		7450 OLIVETOS AVE APT 154		LA JOLLA	CALIFORNIA	92037-4902	OR
140320	VOL L BOSWELL TRUSTEE TAG TRUST B	OF ANN KENNEDY WINSLOW DECD	VOL L BOSWELL TRUSTEE TAG TRUST B	OF ANN KENNEDY WINSLOW DECD	2825 E SKELLY DR STE 825		TULSA	OKLAHOMA	74105-6250	OR
140320	WALLACE AND VERGINE GATES FAMILY TR	VERGINE RUSSELL GATES TRUSTEE	WALLACE AND VERGINE GATES FAMILY TR	VERGINE RUSSELL GATES TRUSTEE	700 BEATTY RD APT 350	BEATTY POINTE VILLAGE	MONROEVILLE	PENNSYLVANIA	15146	OR
140320	WESTWAY PETRO		WESTWAY PETRO		500 N AKARD ST STE 200		DALLAS	TEXAS	75201-6615	OR
140320	WHEATLEY TRUST AGENCY	FIRST NATL BANK OF ARTESIA AGENT	WHEATLEY TRUST AGENCY	FIRST NATL BANK OF ARTESIA AGENT	PO DRAWER AA		ARTESIA	NEW MEXICO	88211-7526	OR
140320	WILLIAM DOUGLASS MCCOY		WILLIAM DOUGLASS MCCOY		10359 BOBCAT BLUFF		SAN ANTONIO	TEXAS	78251	OR
140320	WILLIAM H STROMBERG TRUST	WILLIAM H STROMBERG TRUSTEE	WILLIAM H STROMBERG TRUST	WILLIAM H STROMBERG TRUSTEE	PO BOX 1412		ARDMORE	OKLAHOMA	73402-1412	OR

INDIAN HILLS STATE 1, 3, 4, 7

DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
140346	ALICE ANN HANKS	C/O MELBURN NUTT	ALICE ANN HANKS	C/O MELBURN NUTT	PO BOX 9087		WICHITA FALLS	TEXAS	76308-9087	OR
140346	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	PO BOX 1148		SANTA FE	NEW MEXICO	87504-1148	RI
140346	LOLLIE D CHAMBERS		LOLLIE D CHAMBERS		2441 STANMORE DR		HOUSTON	TEXAS	77019	OR
140346	ROBERT E CHAMBERS ESTATE	ROBERT E CHAMBERS JR INDP EXEC	ROBERT E CHAMBERS ESTATE	ROBERT E CHAMBERS JR INDP EXEC	2441 STANMORE DR		HOUSTON	TEXAS	77019	OR
140346	W T PROBANDT		W T PROBANDT		415 W WALL STE 2206		MIDLAND	TEXAS	79701-4442	OR

INDIAN HILLS STATE 5, 6

DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
140347	ALICE ANN HANKS	C/O MELBURN NUTT	ALICE ANN HANKS	C/O MELBURN NUTT	PO BOX 9087		WICHITA FALLS	TEXAS	76308-9087	OR
140347	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	PO BOX 1148		SANTA FE	NEW MEXICO	87504-1148	RO
140347	CONOCOPHILLIPS COMPANY		CONOCOPHILLIPS COMPANY		PO BOX 160		SAINT LOUIS	MISSOURI	63150-0160	OR
140347	LOLLIE D CHAMBERS		LOLLIE D CHAMBERS		2441 STANMORE DR		HOUSTON	TEXAS	77019	OR
140347	MARATHON OIL CO		MARATHON OIL CO		539 S MAIN ST		FINDLAY	OHIO	45840-3229	OR
140347	ROBERT E CHAMBERS ESTATE	ROBERT E CHAMBERS JR INDP EXEC	ROBERT E CHAMBERS ESTATE	ROBERT E CHAMBERS JR INDP EXEC	2441 STANMORE DR		HOUSTON	TEXAS	77019	OR
140347	W T PROBANDT		W T PROBANDT		415 W WALL STE 2206		MIDLAND	TEXAS	79701-4442	OR

MCO FEDERAL

DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
140960	DAVID L STARK		DAVID L STARK		313 BALSAM		LAKE JACKSON	TEXAS	77566-6121	OR
140960	DEBORAH ANN STARK WORTHAM		DEBORAH ANN STARK WORTHAM		6106 WALNUT DR		TUTTLE	OKLAHOMA	73089-7508	OR
140960	EDITH BIVINS		EDITH BIVINS		515 6TH AVE N		CALDWELL	IDAHO	83605-2962	OR
140960	JACK D STARK		JACK D STARK		RR 1 BOX 15A		FITZHUGH	OKLAHOMA	74843-9705	OR
140960	KAREN K STARK BARTON		KAREN K STARK BARTON		2628 SW 45TH ST		OKLAHOMA CITY	OKLAHOMA	73119-4611	OR
140960	L M STARK		L M STARK		305 FRONTERA		BORGER	TEXAS	79007-8076	OR
140960	MARY JANE STARK HENDERSON		MARY JANE STARK HENDERSON		347 HILLSIDE CIR		BURLESON	TEXAS	76028-5225	OR
140960	MARY LOU GIBBS		MARY LOU GIBBS		1700 RIVERSIDE DR APT NO. B519		TULSA	OKLAHOMA	74119-4677	OR
140960	MICHAEL RAY STARK		MICHAEL RAY STARK		6510 ELLSWORTH RD		FORT SMITH	ARKANSAS	72903-2656	OR
140960	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	PO BOX 5810 TA		DENVER	COLORADO	80217-5810	RI
140960	TESSA NICOLE STARK	JERRY D STARK CUSTODIAN	TESSA NICOLE STARK	JERRY D STARK CUSTODIAN	1878 PUTNAM DR		BARTLESVILLE	OKLAHOMA	74006-6804	OR
140960	W B STARK		W B STARK		2300 WEST TAYLOR APT 201		SHERMAN	TEXAS	75092-0000	OR

MBU - UP

DO NUMBER	OWNER NAME LINE 1	OWNER NAME LINE 2	OWNER ATTENTION LINE 1	OWNER ATTENTION LINE 2	OWNER ADDRESS LINE 1	OWNER ADDRESS LINE 2	CITY	STATE	ZIP	INT. TYPE
141152	ANN H STROMBERG		ANN H STROMBERG		274 SAN LUIS PLACE		CLAREMONT	CALIFORNIA	91711-1746	OR
141152	BANK OF AMERICA NA ESCROW AGENT		BANK OF AMERICA NA ESCROW AGENT		SABINE ROYALTY TRUST LBX 840887		DALLAS	TEXAS	75284-0887	OR
141152	BRIAN PATRICK MCCOY		BRIAN PATRICK MCCOY		1708 MEADOW CREST LANE		MANSFIELD	TEXAS	76063-2941	OR
141152	C JOHN AND DIANA R MCINTYRE JTWRs		C JOHN AND DIANA R MCINTYRE JTWRs		732 CLOYDEN RD		PALOS VERDES ESTATES	CALIFORNIA	90274-1833	OR
141152	CITIZENS BK AND TR OF ARDMORE OK	T C AND JUNE B STROMBERG REV TRUST	CITIZENS BK AND TR OF ARDMORE OK	T C AND JUNE B STROMBERG REV TRUST	P O BOX 277		ARDMORE	OKLAHOMA	73402	OR
141152	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	PO BOX 1148		SANTA FE	NEW MEXICO	87504-1148	RI
141152	COMMISSIONER OF PUBLIC LANDS		COMMISSIONER OF PUBLIC LANDS		PO BOX 791		SANTA FE	NEW MEXICO	87504-0791	RI
141152	DAVID L STARK		DAVID L STARK		313 BALSAM		LAKE JACKSON	TEXAS	77566-6121	OR
141152	DEBORAH ANN STARK WORTHAM		DEBORAH ANN STARK WORTHAM		6106 WALNUT DR		TUTTLE	OKLAHOMA	73089-7508	OR
141152	EDITH BIVINS		EDITH BIVINS		515 6TH AVE N		CALDWELL	IDAHO	83605-2962	OR
141152	FIRST CENTURY OIL INC		FIRST CENTURY OIL INC		PO BOX 1518		ROSWELL	NEW MEXICO	88202-1518	OR
141152	GATES PROPERTIES LTD		GATES PROPERTIES LTD		PO BOX 81119		MIDLAND	TEXAS	79708-1119	OR
141152	HELEN GATES MAXWELL		HELEN GATES MAXWELL		218 ALDERSGATE CIRCLE GIVENS ESTS		ASHEVILLE	NORTH CAROLINA	28803-2044	OR
141152	HUGH E HANAGAN		HUGH E HANAGAN		PO BOX 1737		ROSWELL	NEW MEXICO	88202-1737	OR
141152	JACK D STARK		JACK D STARK		RR 1 BOX 15A		FITZHUGH	OKLAHOMA	74843-9705	OR
141152	JOHN W GATES LLC		JOHN W GATES LLC		706 WEST GRAND AVENUE		ARTESIA	NEW MEXICO	88210	OR
141152	JON STROMBERG		JON STROMBERG		12101 N MACARTHUR 213		OKLAHOMA CITY	OKLAHOMA	73162-1800	OR
141152	KAREN K STARK BARTON		KAREN K STARK BARTON		2628 SW 45TH ST		OKLAHOMA CITY	OKLAHOMA	73119-4611	OR
141152	L M STARK		L M STARK		305 FRONTERA		BORGER	TEXAS	79007-8076	OR
141152	LAURA ANN MCCOY LINDSEY		LAURA ANN MCCOY LINDSEY		PO BOX 1137		ARTESIA	NEW MEXICO	88211-1137	OR
141152	LEIF HELTON OLSON ESTATE		LEIF HELTON OLSON ESTATE		2702 56TH ST		LUBBOCK	TEXAS	79413-4916	OR

Royalty and Overriding Royalty Owners

141152	MARY ADELE STROMBERG PERRY		MARY ADELE STROMBERG PERRY		123 BEACHVIEW WAY		RUNAWAY BAY	TEXAS	76426-9740	OR
141152	MARY JANE STARK HENDERSON		MARY JANE STARK HENDERSON		347 HILLSIDE CIR		BURLESON	TEXAS	76028-5225	OR
141152	MARY LOU GIBBS		MARY LOU GIBBS		1700 RIVERSIDE DR APT NO. B519		TULSA	OKLAHOMA	74119-4677	OR
141152	MARY LOVE STROMBERG TRUST	MARY LOVE STROMBERG TRUSTEE	MARY LOVE STROMBERG TRUST	MARY LOVE STROMBERG TRUSTEE	PO BOX 1412		ARDMORE	OKLAHOMA	73402-1412	OR
141152	MICHAEL FRANCIS MCCOY		MICHAEL FRANCIS MCCOY		CENTRO COLON, 2da PISO	OFICINA 2-10	FINDLAY	OHIO	45840	OR
141152	MICHAEL RAY STARK		MICHAEL RAY STARK		6510 ELLSWORTH RD		FORT SMITH	ARKANSAS	72903-2656	OR
141152	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	MINERALS MANAGEMENT SERVICE	ROYALTY MANAGEMENT PROGRAM	PO BOX 5810 TA		DENVER	COLORADO	80217-5810	RI
141152	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	ROBERT G HANAGAN	FOR HANAGAN PROPERTIES	PO BOX 1887		SANTA FE	NEW MEXICO	87504-1887	OR
141152	ROBERT L BERGMAN	JACQUELINE R BERGMAN REVOCABLE TR	ROBERT L BERGMAN	JACQUELINE R BERGMAN REVOCABLE TR	DATED 04/20/88	2515 GAYE DRIVE	ROSWELL	NEW MEXICO	88201-3424	OR
141152	SARA S JONES		SARA S JONES		1203 VERNON RD		ARDMORE	OKLAHOMA	73401-3653	OR
141152	SARANN CO	ATTN SARA STROMBERG JONES	SARANN CO	ATTN SARA STROMBERG JONES	1203 VERNON RD		ARDMORE	OKLAHOMA	73401-3653	OR
141152	TESSA NICOLE STARK	JERRY D STARK CUSTODIAN	TESSA NICOLE STARK	JERRY D STARK CUSTODIAN	1878 PUTNAM DR		BARTLESVILLE	OKLAHOMA	74006-6804	OR
141152	THE HILL FOUNDATION	WELLS FARGO BANK NA TRUSTEE	THE HILL FOUNDATION	WELLS FARGO BANK NA TRUSTEE	OGM MAC C7324 038	PO BOX 5383	DENVER	COLORADO	80217-5383	OR
141152	VIRGINIA GATES IRISH		VIRGINIA GATES IRISH		7450 OLIVETOS AVE APT 154		LA JOLLA	CALIFORNIA	92037-4902	OR
141152	W B STARK		W B STARK		2300 WEST TAYLOR APT 201		SHERMAN	TEXAS	75092-0000	OR
141152	WALLACE AND VERGINE GATES FAMILY TR	VERGINE RUSSELL GATES TRUSTEE	WALLACE AND VERGINE GATES FAMILY TR	VERGINE RUSSELL GATES TRUSTEE	700 BEATTY RD APT 350	BEATTY POINTE VILLAGE	MONROEVILLE	PENNSYLVANIA	15146	OR
141152	WESTWAY PETRO		WESTWAY PETRO		500 N AKARD ST STE 200		DALLAS	TEXAS	75201-6615	OR
141152	WHEATLEY TRUST AGENCY	FIRST NATL BANK OF ARTESIA AGENT	WHEATLEY TRUST AGENCY	FIRST NATL BANK OF ARTESIA AGENT	PO DRAWER AA		ARTESIA	NEW MEXICO	88211-7526	OR
141152	WILLIAM DOUGLASS MCCOY		WILLIAM DOUGLASS MCCOY		10359 BOBCAT BLUFF		SAN ANTONIO	TEXAS	78251	OR
141152	WILLIAM H STROMBERG TRUST	WILLIAM H STROMBERG TRUSTEE	WILLIAM H STROMBERG TRUST	WILLIAM H STROMBERG TRUSTEE	PO BOX 1412		ARDMORE	OKLAHOMA	73402-1412	OR

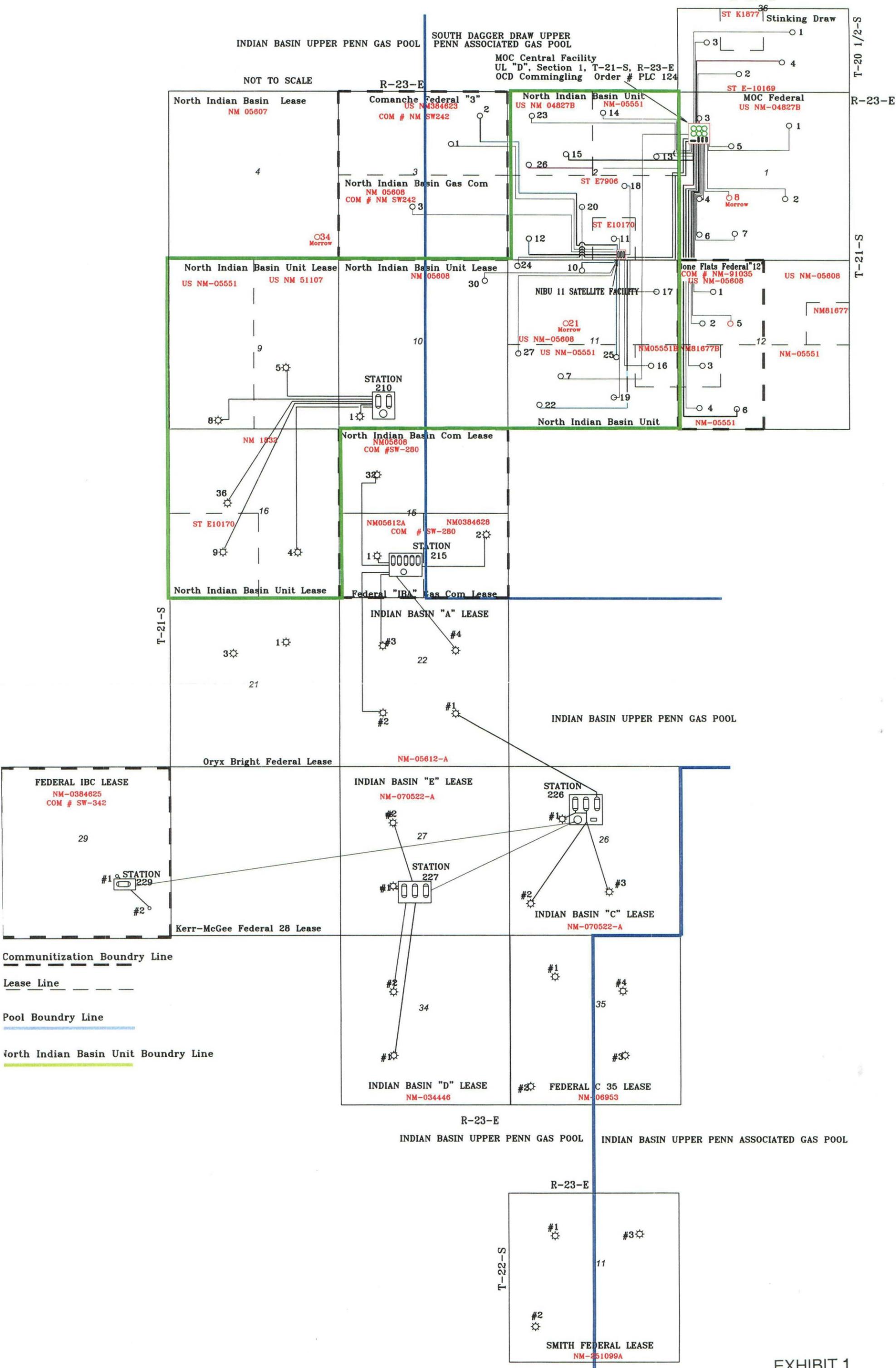
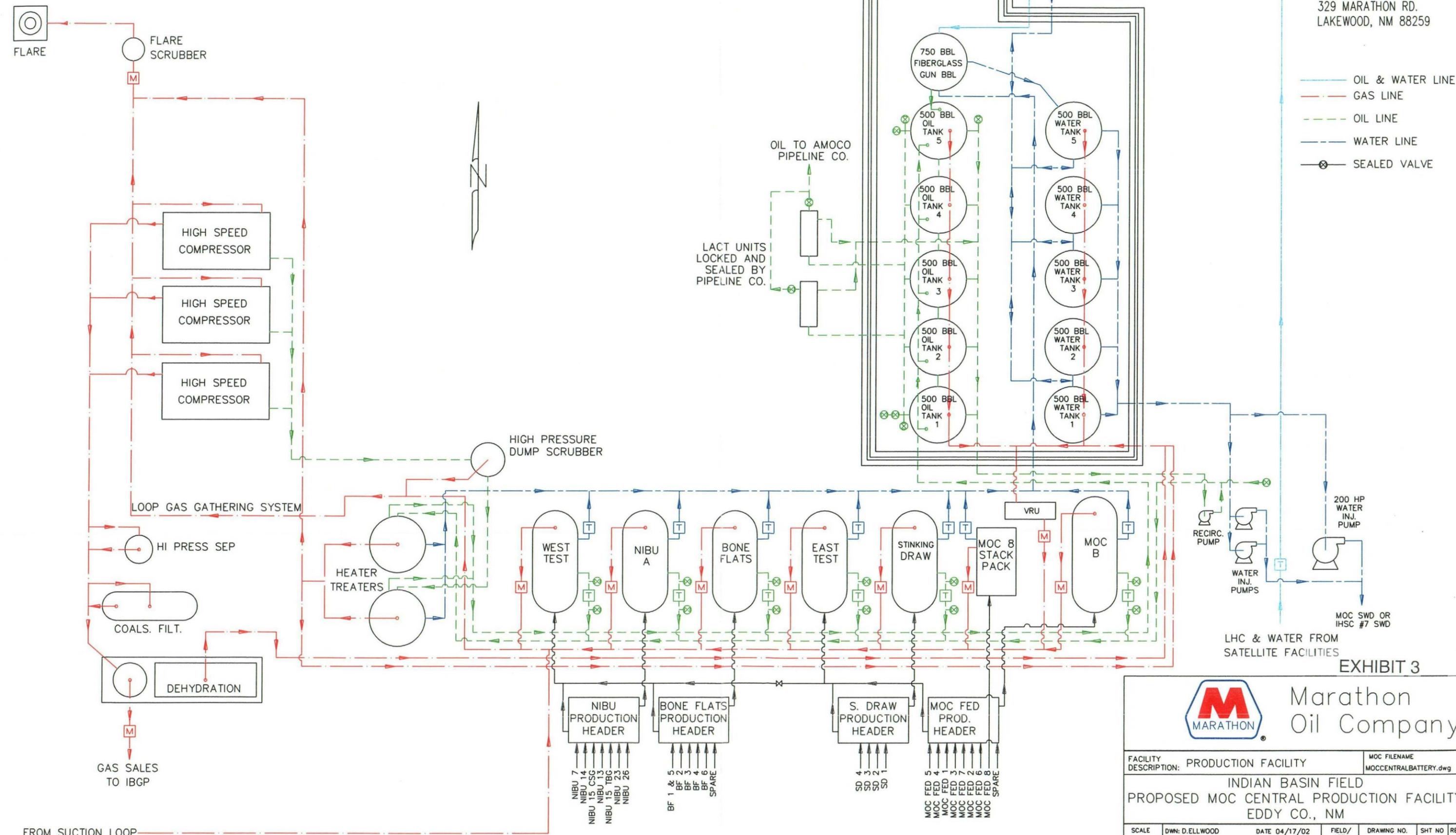


EXHIBIT 1

MARATHON OIL COMPANY
MOC CENTRAL PRODUCTION FACILITY
760' FNL & 660' FWL
SEC.1, T-21-S, R-23-E
EDDY CO. N.M.

THE FACILITY IS SUBJECT
TO THE SITE SECURITY PLAN FOR
THE INDIAN BASIN FIELD. THE
PLAN IS LOCATED AT:
MARATHON OIL CO.
329 MARATHON RD.
LAKEWOOD, NM 88259



LHC & WATER FROM SATELLITE FACILITIES

EXHIBIT 3



Marathon Oil Company

FACILITY DESCRIPTION: PRODUCTION FACILITY		MOC FILENAME: MOCCENTRALBATTERY.dwg	
INDIAN BASIN FIELD			
PROPOSED MOC CENTRAL PRODUCTION FACILITY			
EDDY CO., NM			
SCALE: NONE	DWN: D.ELLWOOD REV: G. LARKE APP:	DATE: 04/17/02 DATE: 9/3/03 DATE:	FIELD/AREA: IB DRAWING NO.: 1 SHT NO.: 1 REV: G

MARATHON OIL COMPANY - NIBU 11 SATELLITE FACILITY
 SERVING WELLS: NIBU GC 3, NIBU 10, 11, 12, 16, 17, 18, 19, 20,
 21, 22, 24, 25, 27, 30, COMANCHE FED "3" NO's 1 AND 2.
 UL "O", SEC.2, T-21-S, R-23-E
 NM 05551
 EDDY CO. N.M.

THE FACILITY IS SUBJECT
 TO THE SITE SECURITY PLAN FOR
 THE INDIAN BASIN FIELD. THE
 PLAN IS LOCATED AT:
 MARATHON OIL CO.
 329 MARATHON RD.
 LAKEWOOD, NM 88259

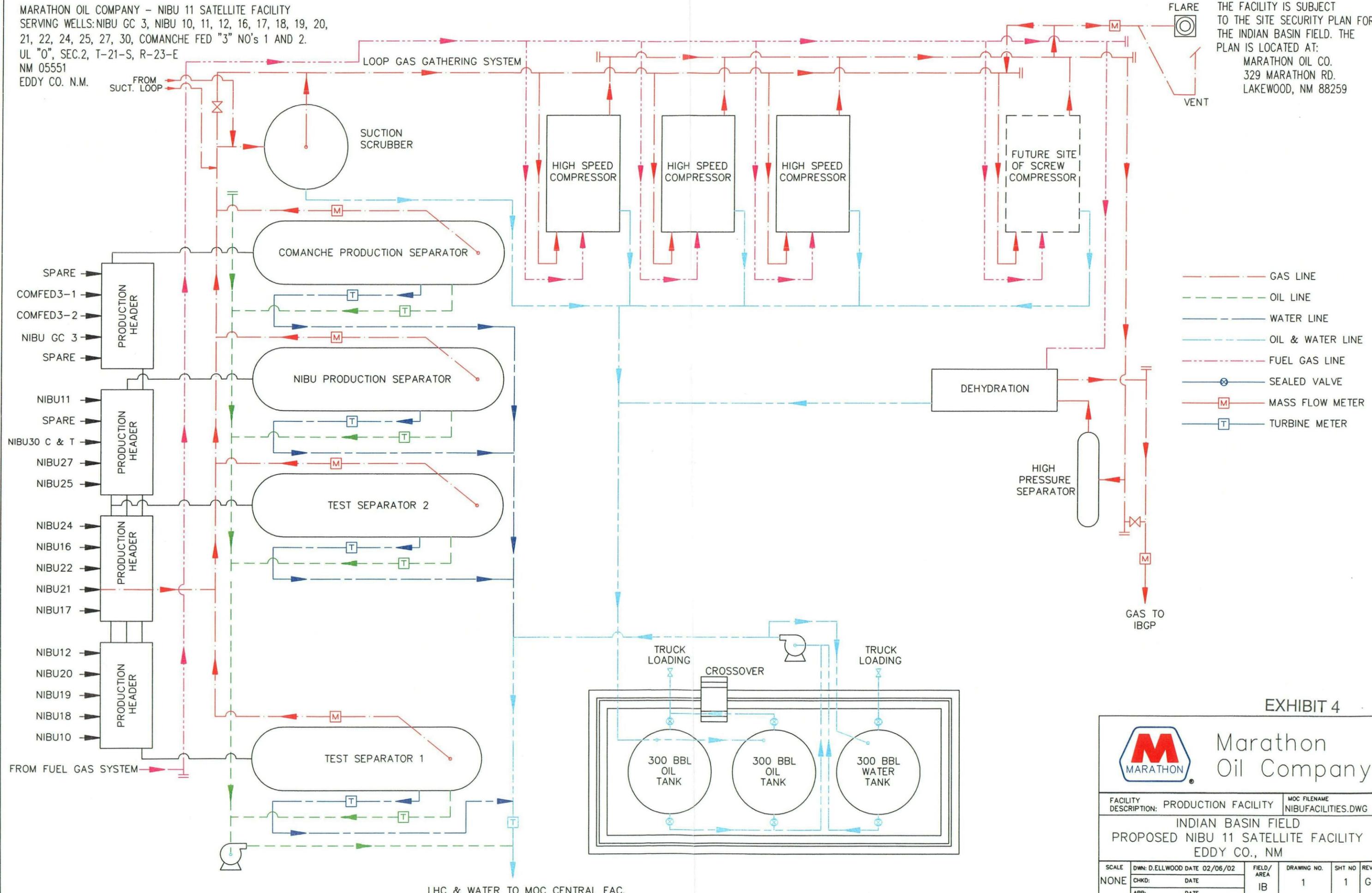


EXHIBIT 4

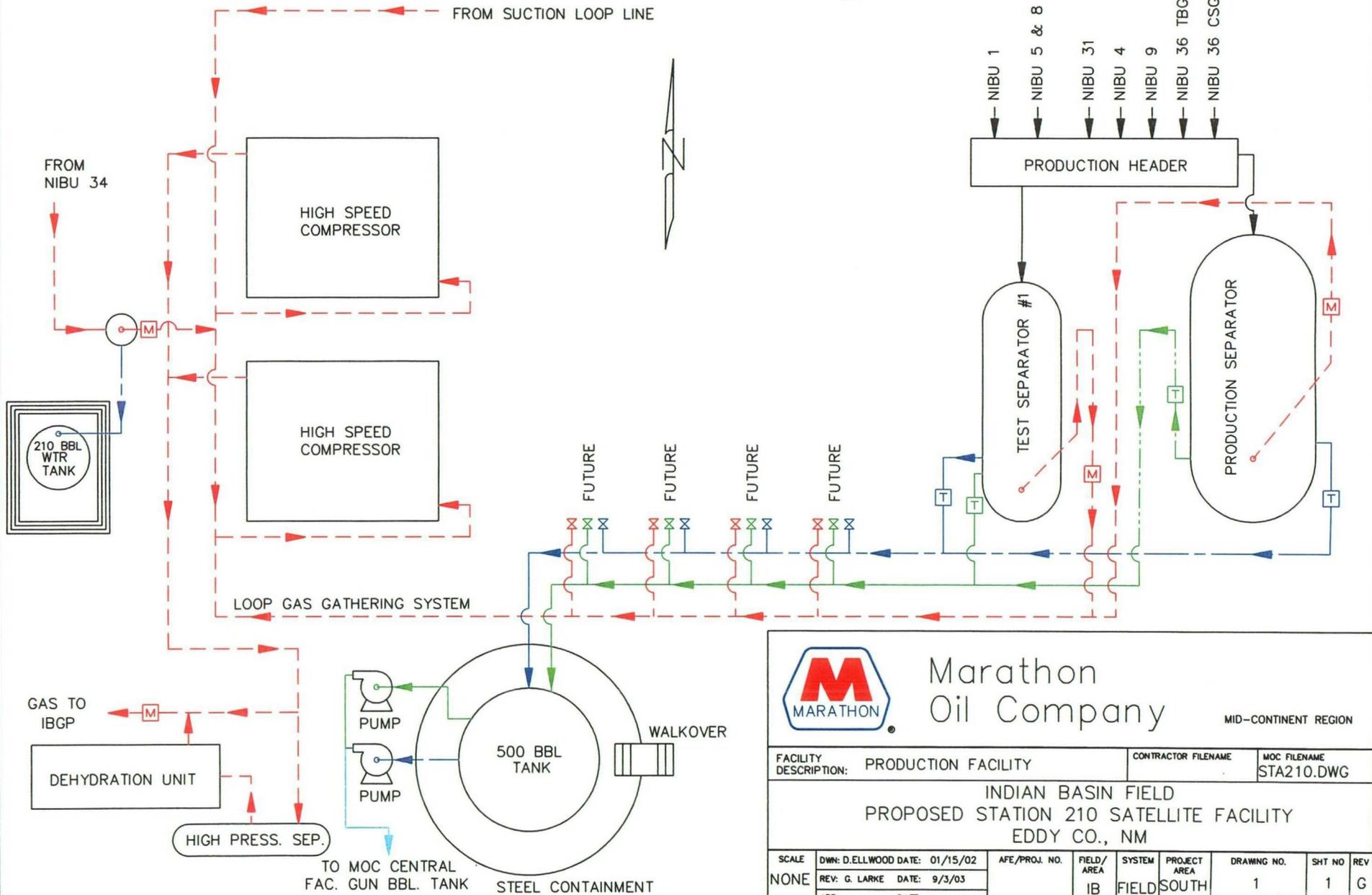


FACILITY DESCRIPTION: PRODUCTION FACILITY		MOC FILENAME: NIBUFACILITIES.DWG	
INDIAN BASIN FIELD PROPOSED NIBU 11 SATELLITE FACILITY EDDY CO., NM			
SCALE: NONE	DWN: D.ELLWOOD DATE 02/06/02	FIELD/AREA: IB	DRAWING NO. 1
CHKD: DATE	APP: DATE	SHT NO. 1	REV. G

MARATHON OIL COMPANY
 SERVING WELLS: NIBU 1, 4, 5, 8, 9, 31, 34 & 36
 STATION NO: 210
 660' FSL & 660' FWL
 SEC. 10, T-21-S, R-23-E
 NM 05608
 EDDY CO. N.M.

- PRODUCED FLUIDS
- - - GAS LINE
- · - · - OIL LINE
- - - WATER LINE
- · - · - OIL & WATER LINE
- [T] TURBINE METER
- [M] MASS FLOW METER

THE FACILITY IS SUBJECT TO THE SITE SECURITY PLAN FOR THE INDIAN BASIN FIELD. THE PLAN IS LOCATED AT:
 MARATHON OIL CO.
 329 MARATHON RD.
 LAKEWOOD, NM 88259





Marathon Oil Company

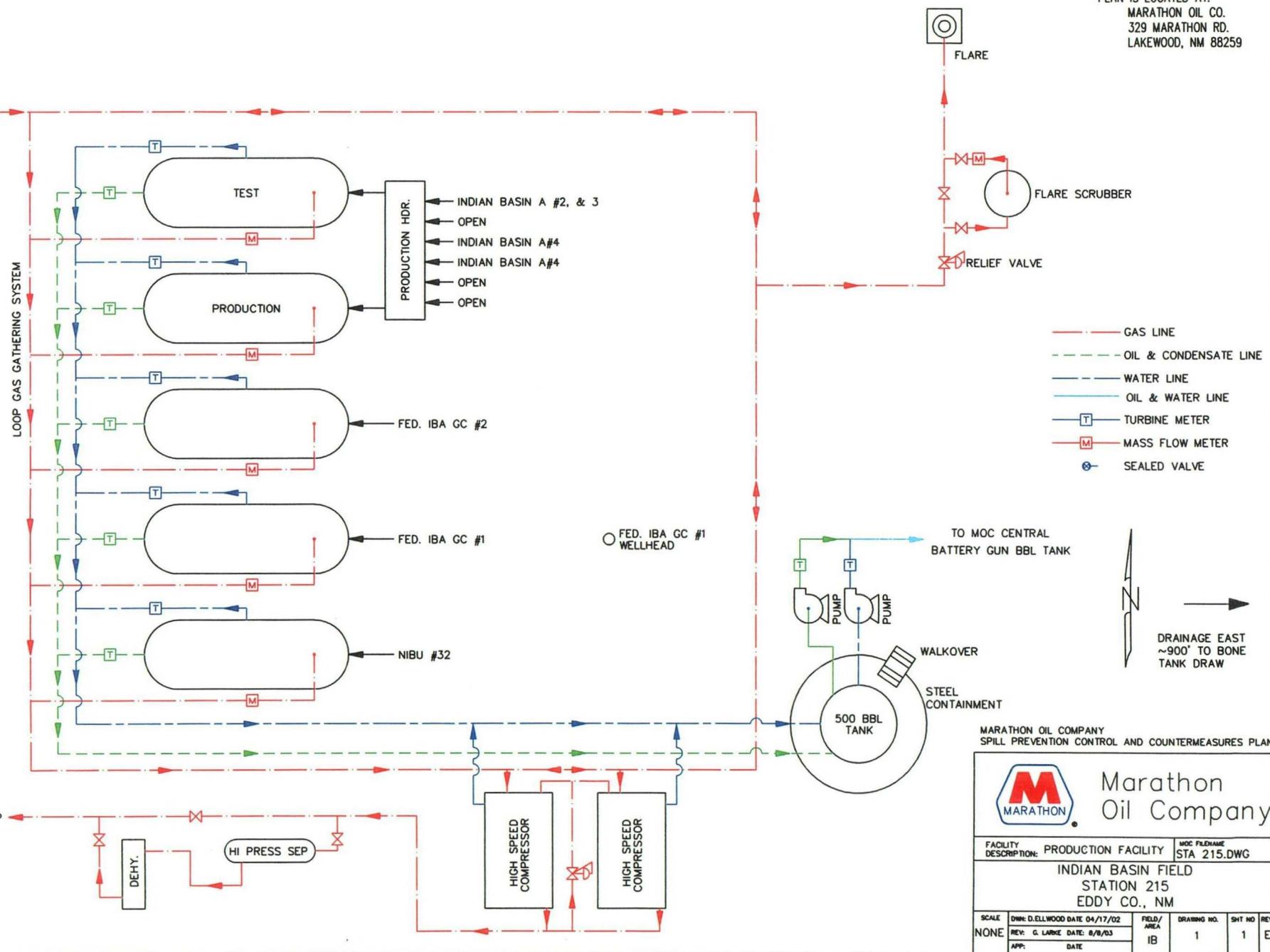
MID-CONTINENT REGION

FACILITY DESCRIPTION: PRODUCTION FACILITY		CONTRACTOR FILENAME	MOC FILENAME
			STA210.DWG
INDIAN BASIN FIELD PROPOSED STATION 210 SATELLITE FACILITY EDDY CO., NM			
SCALE	DWN: D.ELLWOOD DATE: 01/15/02	AFE/PROJ. NO.	FIELD/AREA
NONE	REV: G. LARKE DATE: 9/3/03		IB
APP:	DATE	SYSTEM	PROJECT AREA
		FIELD	SOUTH IB
		DRAWING NO.	SHT NO
		1	1
		REV	G

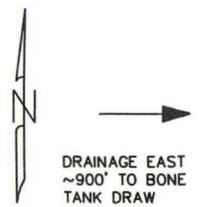
MARATHON OIL COMPANY
 SERVING WELLS: INDIAN BASIN A #2, #3, #4, FED. IBA GC#2, FED IBA#1, NIBU #32
 STATION NO: 215
 1650' FSL & 1650' FWL
 SEC.15, T-21-S, R-23-E
 NM 05612A
 EDDY CO. N.M.

THE FACILITY IS SUBJECT
 TO THE SITE SECURITY PLAN FOR
 THE INDIAN BASIN FIELD. THE
 PLAN IS LOCATED AT:
 MARATHON OIL CO.
 329 MARATHON RD.
 LAKEWOOD, NM 88259

GAS TO/FROM
 SUCTION LOOP LINE



- GAS LINE
- OIL & CONDENSATE LINE
- WATER LINE
- OIL & WATER LINE
- T TURBINE METER
- M MASS FLOW METER
- S SEALED VALVE



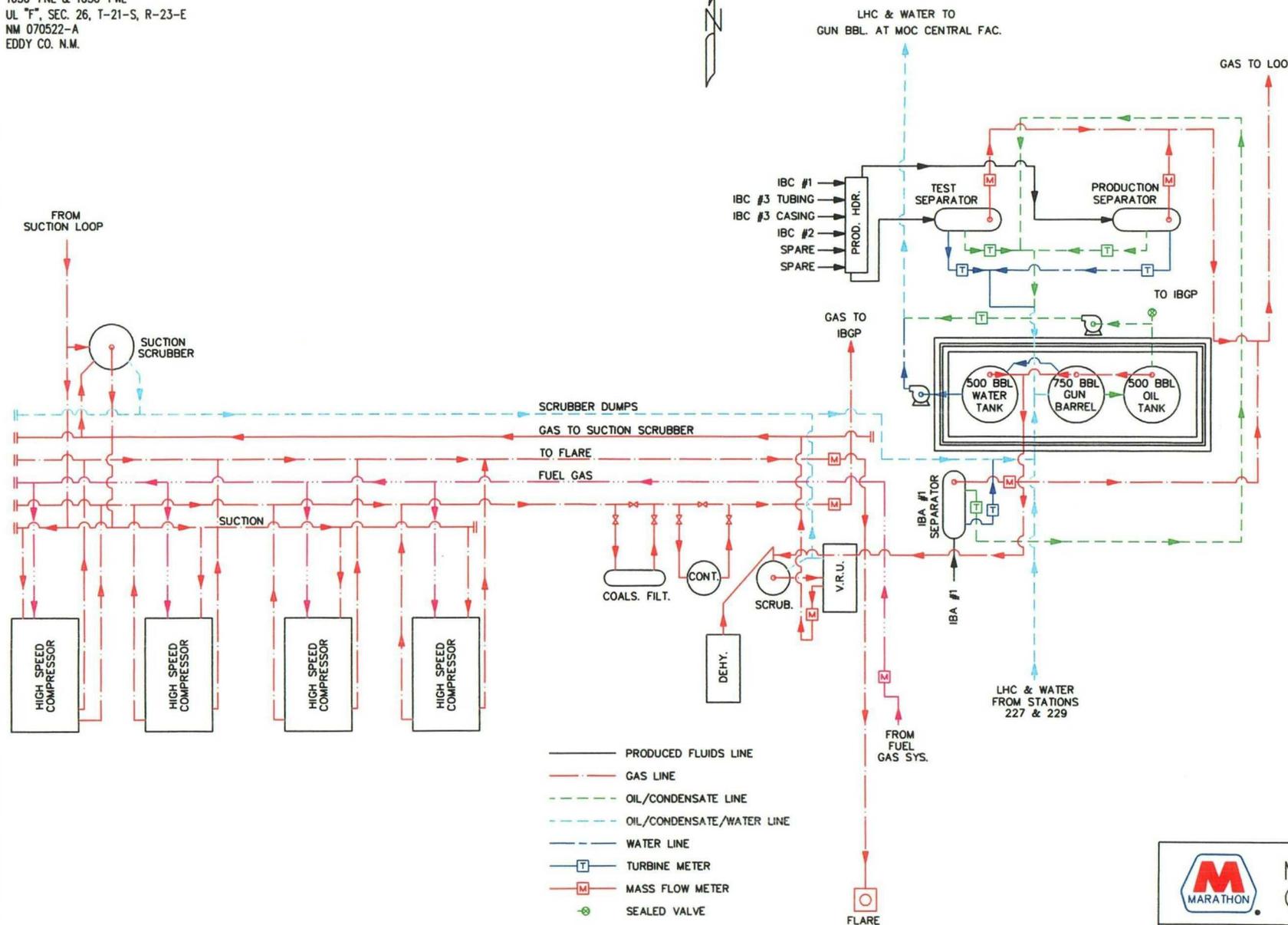
MARATHON OIL COMPANY
 SPILL PREVENTION CONTROL AND COUNTERMEASURES PLAN

		Marathon Oil Company	
		FACILITY DESCRIPTION: PRODUCTION FACILITY INDIAN BASIN FIELD STATION 215 EDDY CO., NM	MOC FILENAME STA 215.DWG
SCALE: NONE REV: G. LARBE DATE: 8/9/03 APP: DATE:	DATE: 04/17/02	FIELD/AREA: IB	DRAWING NO.: 1 SHT NO.: 1 REV: E

EXHIBIT 6

MARATHON OIL COMPANY
 SERVING WELLS: INDIAN BASIN C #1, 2 & 3,
 AND INDIAN BASIN A #1
 STATION NO: 226 (SIB)
 1650' FNL & 1650' FWL
 UL "F", SEC. 26, T-21-S, R-23-E
 NM 070522-A
 EDDY CO. N.M.

THE FACILITY IS SUBJECT
 TO THE SITE SECURITY PLAN FOR
 THE INDIAN BASIN FIELD. THE
 PLAN IS LOCATED AT:
 MARATHON OIL CO.
 329 MARATHON RD.
 LAKEWOOD, NM 88259



- PRODUCED FLUIDS LINE
- GAS LINE
- - - OIL/CONDENSATE LINE
- - - OIL/CONDENSATE/WATER LINE
- - - WATER LINE
- T TURBINE METER
- M MASS FLOW METER
- ⊗ SEALED VALVE

Marathon Oil Company

FACILITY DESCRIPTION: PRODUCTION FACILITY		MOC FILENAME: STA226.DWG	
INDIAN BASIN FIELD STATION 226 (SIB) EDDY CO., NM			
SCALE: NONE	DRW: D. ELLWOOD CHKD: DATE APP: DATE	DATE: 01/15/02	FIELD/AREA: IB
DRWING NO: 1	SHT NO: 1	REV: 1	REV: G

MARATHON OIL COMPANY

SERVING WELLS: INDIAN BASIN "E" 1 & 2, AND "D" 1 & 2.

STATION NO: 227

1650' FSL & 1650' FWL

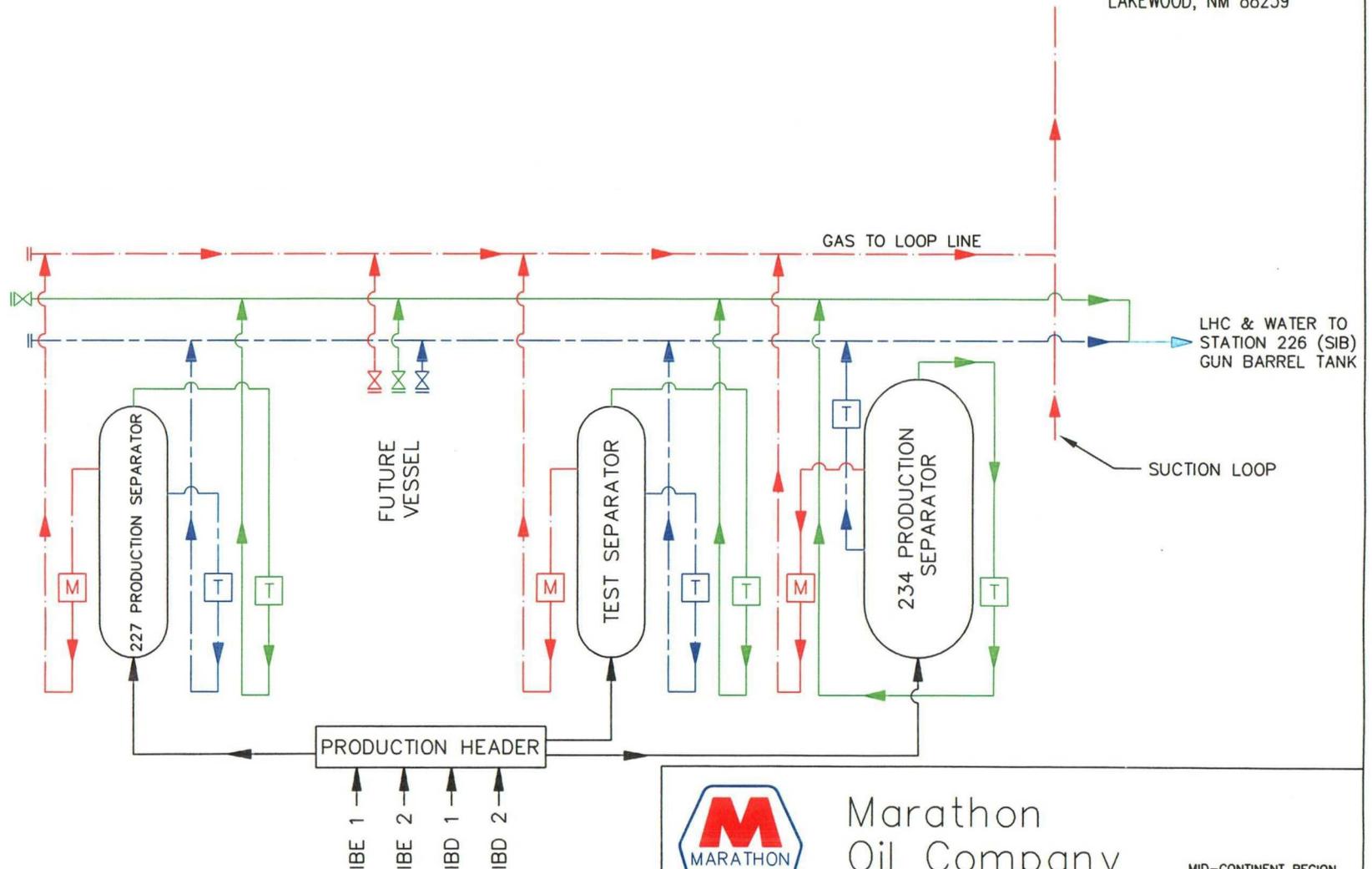
SEC. 27 T- 21 -S, R- 23 -E

NM 070522A

EDDY CO. N.M.

THE FACILITY IS SUBJECT TO THE SITE SECURITY PLAN FOR THE INDIAN BASIN FIELD. THE PLAN IS LOCATED AT:

MARATHON OIL CO.
329 MARATHON RD.
LAKEWOOD, NM 88259



TURBINE METER [T]
 MASS FLOW METER [M]
 GAS LINE ————
 CONDENSATE LINE ————
 WATER LINE - - - -

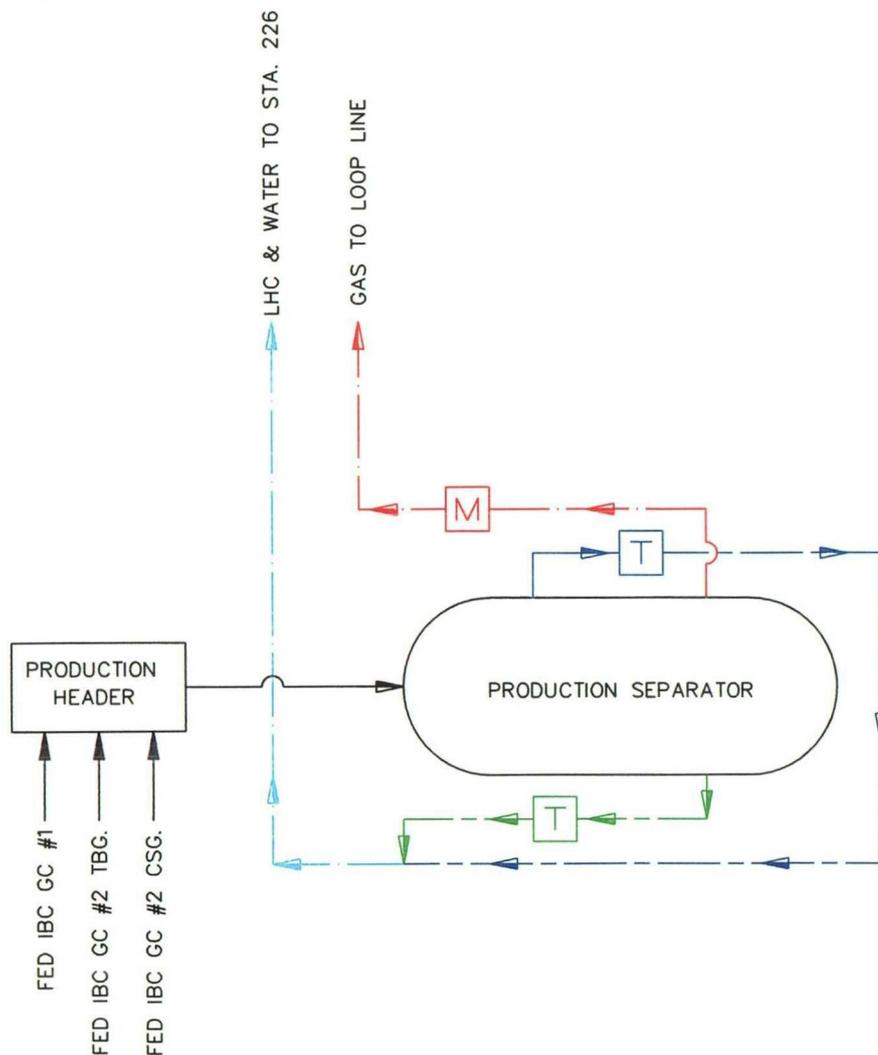
Marathon Oil Company

MID-CONTINENT REGION

FACILITY DESCRIPTION: SATELLITE PRODUCTION FACILITY		CONTRACTOR FILENAME	MOC FILENAME
			STA227.DWG
INDIAN BASIN FIELD			
STATION 227 SATELLITE PRODUCTION FACILITY DIAGRAM			
EDDY CO., NM			
SCALE	DWN: D.ELLWOOD DATE 10/30/01	AFE/PROJ. NO.	FIELD/AREA
NONE	CHKD: DATE		IB
	APP: DATE		FIELD
		SYSTEM	PROJECT AREA
		DRAWING NO.	SHT NO
		1	1
			REV
			G

MARATHON OIL COMPANY
 STATION NO.: 229
 SERVING WELLS: FEDERAL IBC GC #1 & #2
 UL "J", 1700' FSL & 1550' FEL
 SEC.29 T-21-S, R-23-E
 EDDY CO. N.M.

THE FACILITY IS SUBJECT
 TO THE SITE SECURITY PLAN FOR
 THE INDIAN BASIN FIELD. THE
 PLAN IS LOCATED AT:
 MARATHON OIL CO.
 329 MARATHON RD.
 LAKEWOOD, NM 88259



- GAS LINE
- OIL & WATER LINE
- - - OIL LINE
- - - WATER LINE



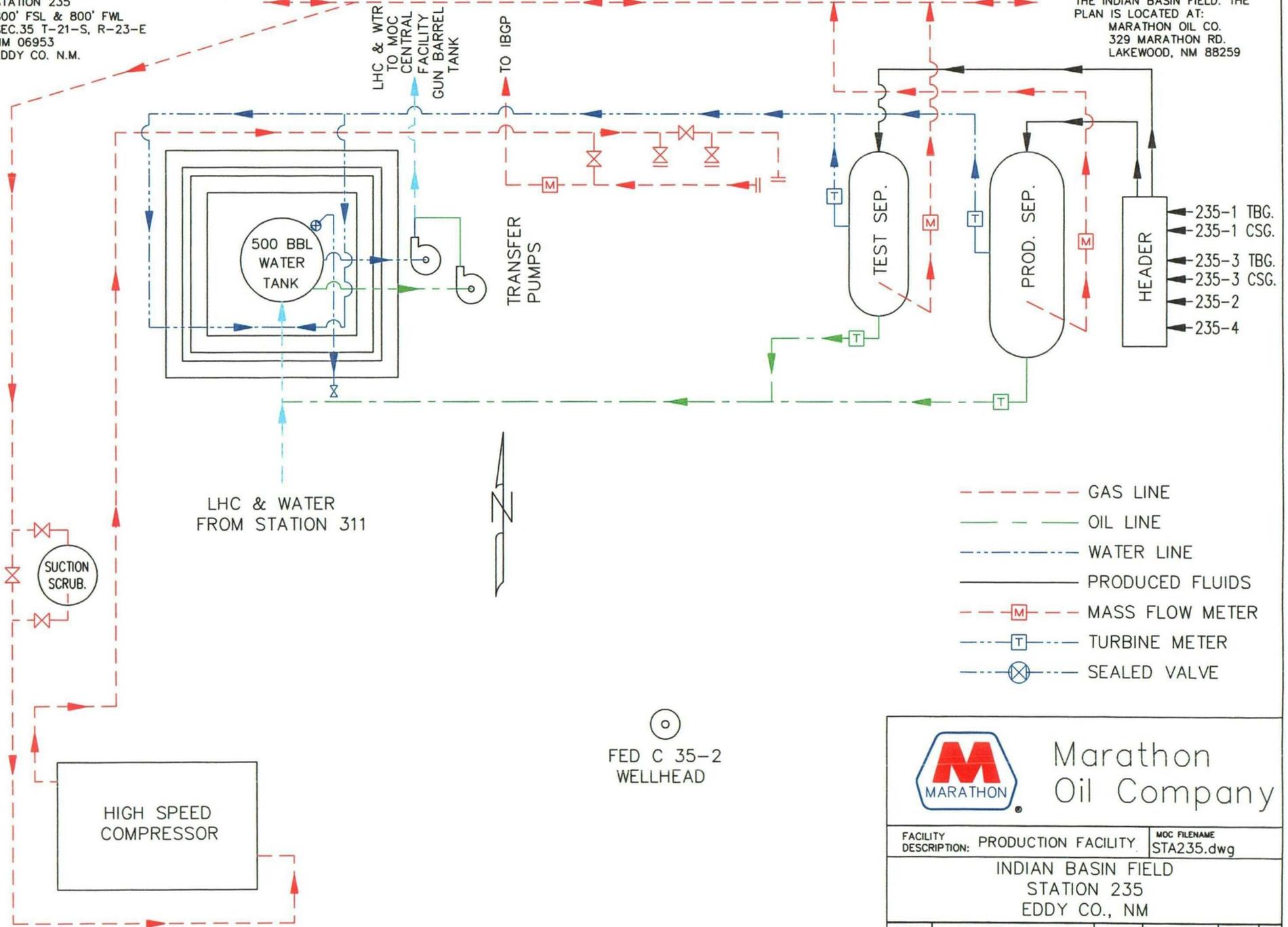
Marathon
 Oil Company

FACILITY DESCRIPTION: PRODUCTION FACILITY		MOC FILENAME: STA229.dwg	
INDIAN BASIN FIELD 229 SATELLITE FACILITY EDDY CO., NM			
SCALE: NONE	DWN: D.ELLWOOD DATE: 01/15/02	FIELD/AREA: IB	DRAWING NO.: 1
CHKD: DATE	APP: DATE	SHT NO: 1	REV: C

MARATHON OIL COMPANY
 SERVING WELLS: FEDERAL C "35" #1, #2, #3 & #4
 STATION 235
 800' FSL & 800' FWL
 SEC.35 T-21-S, R-23-E
 NM 06953
 EDDY CO. N.M.

LOOP GAS GATHERING SYSTEM

THE FACILITY IS SUBJECT TO THE SITE SECURITY PLAN FOR THE INDIAN BASIN FIELD. THE PLAN IS LOCATED AT:
 MARATHON OIL CO.
 329 MARATHON RD.
 LAKEWOOD, NM 88259



- - - - - GAS LINE
- - - - - OIL LINE
- - - - - WATER LINE
- PRODUCED FLUIDS
- - - - - M — MASS FLOW METER
- - - - - T — TURBINE METER
- - - - - X — SEALED VALVE

FED C 35-2
 WELLHEAD

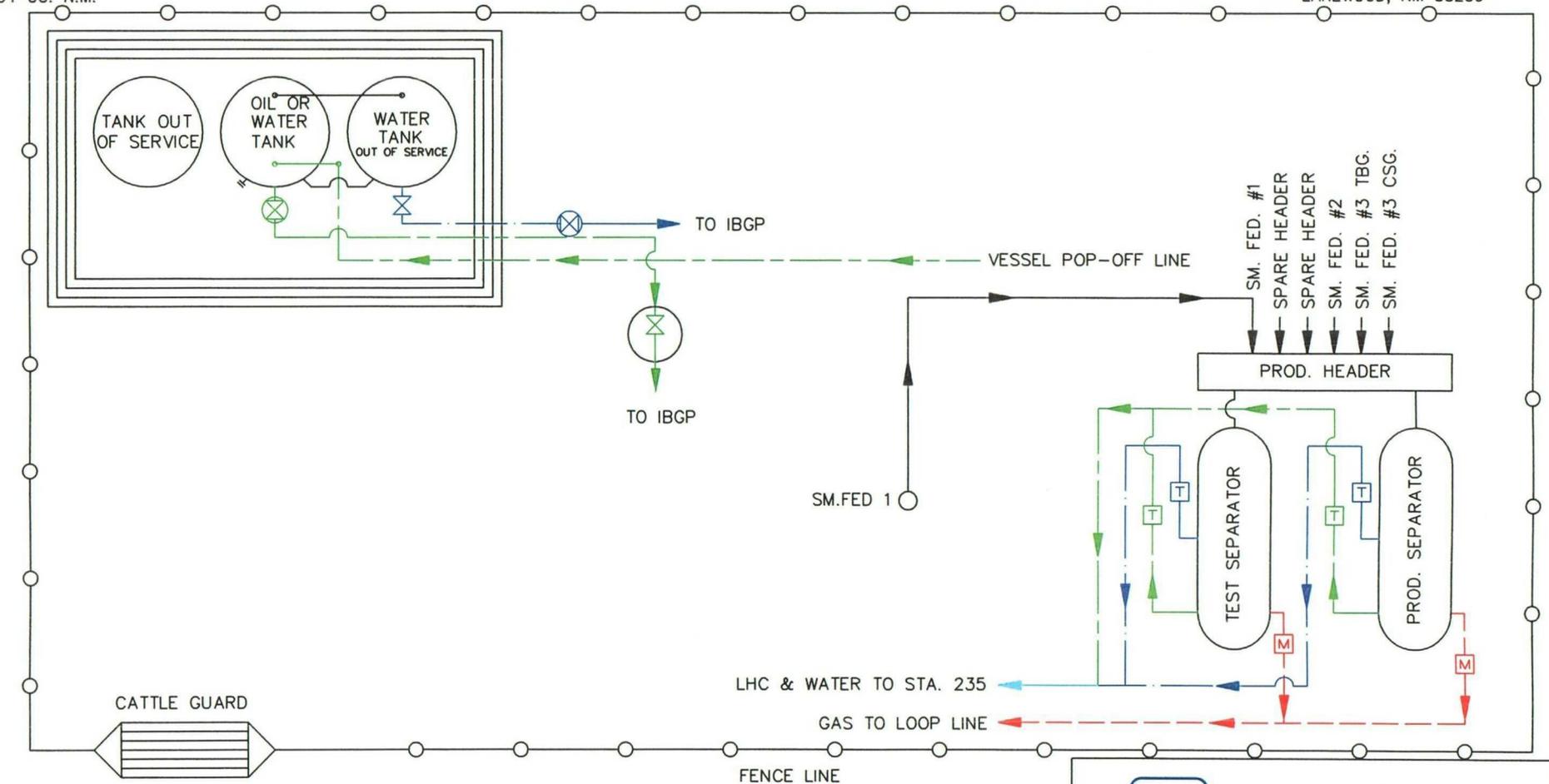


Marathon Oil Company

FACILITY DESCRIPTION: PRODUCTION FACILITY		MOC FILENAME: STA235.dwg	
INDIAN BASIN FIELD STATION 235 EDDY CO., NM			
SCALE: NONE	DWN: D.ELLWOOD DATE 04/17/02	FIELD/AREA: IB	DRAWING NO.: 1
CHKD: DATE	APP: DATE	SHT NO: 1	REV: D

MARATHON OIL COMPANY
 STATION NO.: 311 - SMITH FEDERAL
 SERVING WELLS: SMITH FEDERAL WELLS #1, #2 & #3
 UL "F", 1650' FNL & 1650' FWL
 SEC.11 T-22-S, R-23-E
 NM 0251099-A
 EDDY CO. N.M.

THE FACILITY IS SUBJECT
 TO THE SITE SECURITY PLAN FOR
 THE INDIAN BASIN FIELD. THE
 PLAN IS LOCATED AT:
 MARATHON OIL CO.
 329 MARATHON RD.
 LAKEWOOD, NM 88259



- SEALED VALVE
- MASS FLOW METER
- TURBINE METER
- GAS
- OIL
- WATER
- PRODUCED FLUIDS



Marathon
Oil Company

FACILITY DESCRIPTION: PRODUCTION FACILITY		MOC FILENAME: STA311.DWG	
INDIAN BASIN FIELD STATION 311 EDDY CO., NM			
SCALE: NONE	DWN: D.ELLWOOD DATE 04/17/02	FIELD/AREA: IB	DRAWING NO.: 1
CHKD: DATE	APP: DATE	SHT NO.: 1	REV: D