

COMMINGLING ORDER PLC-140

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

MAY 01 1998

Attention: Ms. Ginny Larke

IND AN 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.

OIL CONSERVATION DIVISION <u>ج</u> بھ UIL UNDER EXhibit No. 7 HECEINED Marathon Oil Company Hearing Date: March 18, 1999 Submitted By:

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

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

LORI WROTENBERY, **Division Director**

LW/BES.kv

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





NEW MEXICO ENŁRGY, MINERALS & NATURAL RESOURCES DEPARTMENT

AMENDED COMMINGLING ORDER PLC-140

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

AUG 1 3 1998

MID-CONTINENT REGICN

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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 23, SZ

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.

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

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

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

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LORI WROYENBERY, Division Director

LW/BES/kv

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

LE TELAED

January 7, 1999

New Mexico Oil Conservation Division ATTN: Ben Stone 2040 S. Pacheco Santa Fe, New Mexico 87505

RE: Commingling Order PLC-140

Dear Mr. Stone:

Marathon Oil Company requests that Commingling Order PLC-140 be amended to allow the hydrocarbon production from the Indian Basin "32" State #3 in Section 32, T-21-S, R-24-E, to be commingled with the other Indian Basin "32" State, Indian Hills Unit, and Indian Hills Unit Gas Com wells at the Indian Hills Unit Central Battery located in Unit Letter P of Section 19, T-21-S, R-24-E. The production from the Indian Basin "32" #3, Lease No. V-992-3, will be transported to a separator at the satellite facility as shown on the attached drawings. This well was completed in the Upper Penn recently. The production will be separated at the satellite facility, then the gas and liquids will be sent to the Indian Hills Central Facility for further separation and measurement. PLC-140 authorizes the surface commingling of production from the Indian Basin Upper Penn Associated Pool and the Indian Basin Upper Penn Gas Pool. A copy of this order is attached.

. . . .

Also attached is a more detailed description of the proposed operation and allocation of production, a map of the area, and flow diagrams of the facilities and equipment involved. All interest owners were notified of the original commingling proposal.

Sincerely,

Ginny Larke Engineer Technician

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Attachments

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT **OIL CONSERVATION DIVISION**

APPLICATION OF MARATHON OIL COMPANY FOR SURFACE COMMINGLING EDDY COUNTY, NEW MEXICO.

CASE NO. 12135

CERTIFICATE OF MAILING AND **COMPLIANCE WITH ORDER R-8054**

STATE OF NEW MEXICO)

) SS.

COUNTY OF SANTA FE)

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on February 16, 1999 he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the application for the above referenced case, at least twenty days prior to the hearing of this case scheduled for March 18, 1999 to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

W. Thomás Kellahin

SUBSCRIBED AND SWORN to before me this 17th day of March, 1999, by W. Thomas Kellahin.

7200

Lynda Kellahin, Notary Public



Kellahin and Kellahin

W. THOMAS KELLAHIN*

NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

ATTORNEYS AT LAW EL PATIO BUILDING 117 NORTH GUADALUPE POST OFFICE BOX 2265 SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

February 17, 1999

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: Application of Marathon Oil Company for surface commingling, off-lease measurement and storage Eddy County, New Mexico.

On behalf of Marathon Oil Company, please find enclosed our a copy of its referenced application. This case has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for March 18, 1999. The hearing will be held at the Division hearing room located at 2040 South Pacheco, Santa Fe, New Mexico.

As party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, February 26, 1999 with a copy delivered to the undersigned.

W. Thomas Kellahin

SEN Commissioner of Public Lar	nds in return thi	l also wish to receive the following services (for an extra fee):
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