

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

5. Lease Serial No.

~~NM 104028~~ NM-01165

6. If Indian, Allottee or Tribe Name

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

NM 104028

8. Well Name and No.

Yates Federal Com

1

9. API Well No.

30-015-20926

10. Field and Pool, or Exploratory Area

Burton Flat Morrow

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 3487 Houston, Texas 77253-3487

3b. Phone No. (include area code)

713-296-2096

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

UL 'N' Sec 8, T 20 S, R 29 E

RECEIVED

MAR 15 2004

OCD-ARTESIA

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

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Please see</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>details below</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

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 recomplate 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 recomplate 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 requests approval for the commingling gas production from the above well, Yates Federal Com # 1, with gas production from the Yates Federal # 4 Lease NM 01165 UL 'H' Sec 18, T 20 S, R 29 E.

Marathon also wishes to request approval for alternate method of measurement for the these wells. We propose to measure gas production through use of FloBoss meters at the well locations to be used to allocate production to each well.

In addition Marathon request's approval for a change of sales point for the two wells. The new sales point will be located in UL 'E' Sec 9, T 20 S, R 29 E. This sales meter is to Duke Energy. Rerouting the gas stream from these wells allows Marathon to sell the gas from the Morrow completions as sweet with an increase in price per Mcf.

All interest and royalty interest owners in these wells were sent notice of commingling on 01/21/2004. A list of owners is attached with this sundry.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

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

Charles Kendrick

Title

Engineer Technician

Date

01/21/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

Title

PETROLEUM ENGINEER

Date

MAR 10 2004

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, and Title 43 U.S.C. Section 1212, 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.

ATTACHMENT LIST

1. Notification letter to Interest owners.
2. Copy of interest owner list.
3. Copy of the letter to NMOCD (Mr. Will Jones) requesting permission to commingle gas.
4. Copy of plat for the gas flow on the leases prior to changes made on May 30, 2001.
5. Copy of plat for the gas flow on the leases after May 30, 2001



**Marathon
Oil Company**

P.O. Box 3487
Houston, TX 77253-3487
Telephone 713/629-6600

January 20, 2004

Working and Royalty Interest Owners
(Mailing List Attached)

Re: Commingling Yates Federal Com # 1 and Yates Federal # 4 Gas

Ladies and Gentlemen,

Marathon Oil Company is proposing to commingle gas production from the Yates Federal Com # 1 and the Yates Federal # 4. Gas Sales for each well will be determined by allocation based upon a Flo Boss electronic meter located at each well. The sales meter for these two wells will be located at UL 'E', Sec 9, T 28 S, R 29 E.

The purposed of this change is in order to take advantage of Duke Energy's more favorable price for the Morrow sweet gas. This change will enable Marathon to sell the gas at \$1.30 more per Mcf than the current contract.

Our records indicate that you are an interest owner in one of the subject leases/wells, and as such, pursuant to New Mexico Oil Conversation 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 a 713-296-2096. Your prompted attention to this matter will be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Charles E. Kendrix".

Charles Kendrix
Engineer Technician

Approved this ____ day of _____, 2004

Printed Name: _____

Title: _____

Company Name (if applicable) _____



**Marathon
Oil Company**

P.O. Box 3487
Houston, TX 77253-3487
Telephone 713/629-6600

January 20, 2004

Mr. Will Jones

Re: Commingling Yates Federal Com # 1 and Yates Federal # 4 Gas

Mr. Jones on 05/30/01 Marathon switched the produced gas from the Yates Federal Com # 1 and the Yates Federal # 4 to a sweet gas line going to Duke Energy Field Service. A new C-104 for a new POD was filed by Marathon, but our field personnel did not recognize the need for a commingle permit at the time, thus an application to commingle production was never filed. This error was brought to our attention on January 9th, 2004 by Mr. Jim Amos of the BLM's Carlsbad office. In trying to rectify the error Marathon is filing the proposal as described in the sections below.

Marathon Oil Company is proposing to commingle gas production from the Yates Federal Com # 1 and the Yates Federal # 4. Gas sales for each well will be determined by allocation based upon a Flo Boss electronic meter located at each well.

Marathon is also requesting permission for off lease sales of gas for these two wells. The sales meter for these two wells will be located at UL 'E', Sec 9, T 28 S, R 29 E.

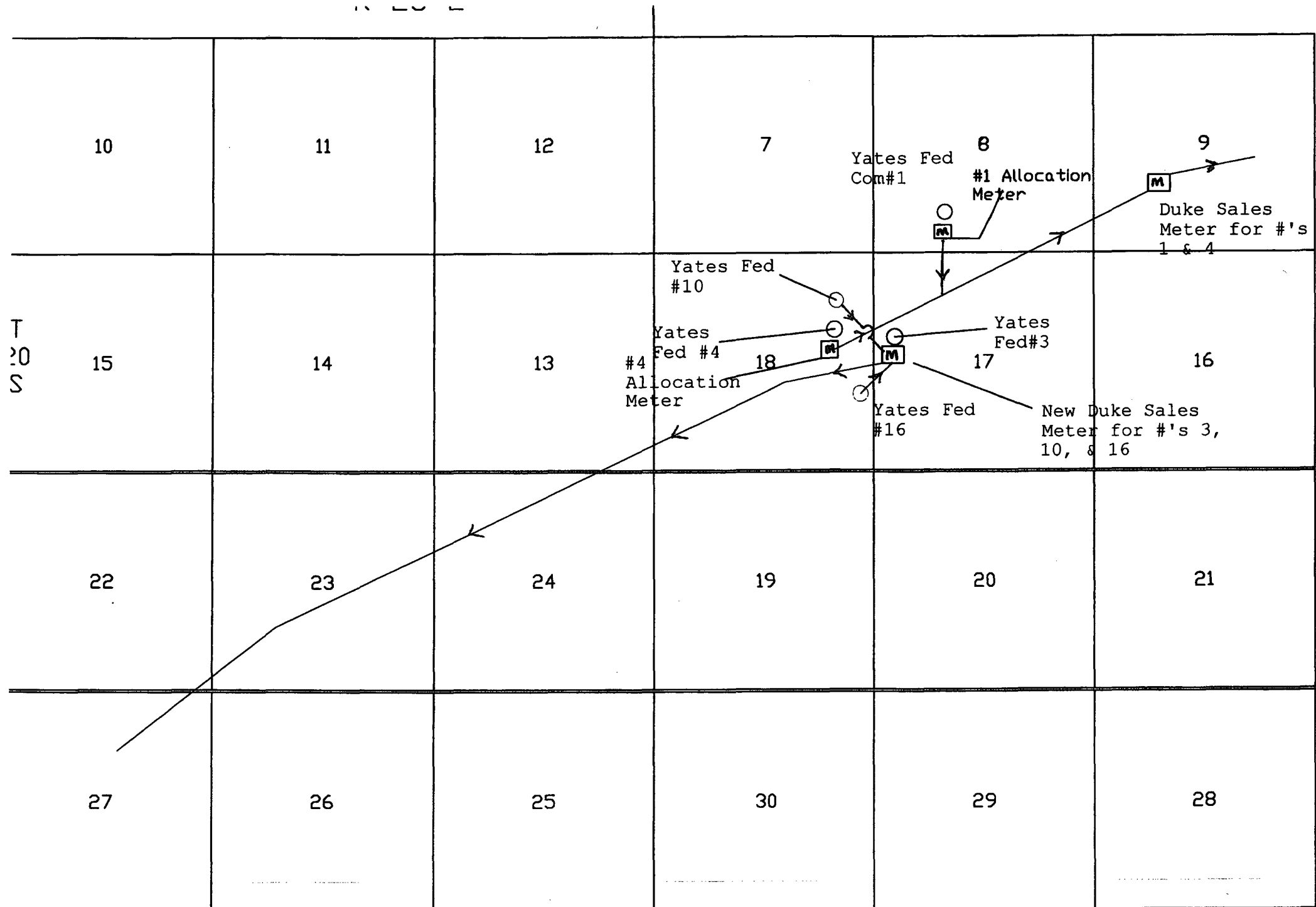
The purposed of this change is in order to take advantage of Duke Energy Services' higher price paid for the Morrow sweet gas. This change will enable Marathon to sell the gas at \$1.30 more per Mcf than the current contract.

The working interest , royalty interest, and over-ride royalty interest owners on the two leases/ wells were sent notice of Marathon's intent on 01/04/21. I am including a attachment list of the documents filed with the BLM , a plat of the pipeline changes, and the owner notification list for these wells.

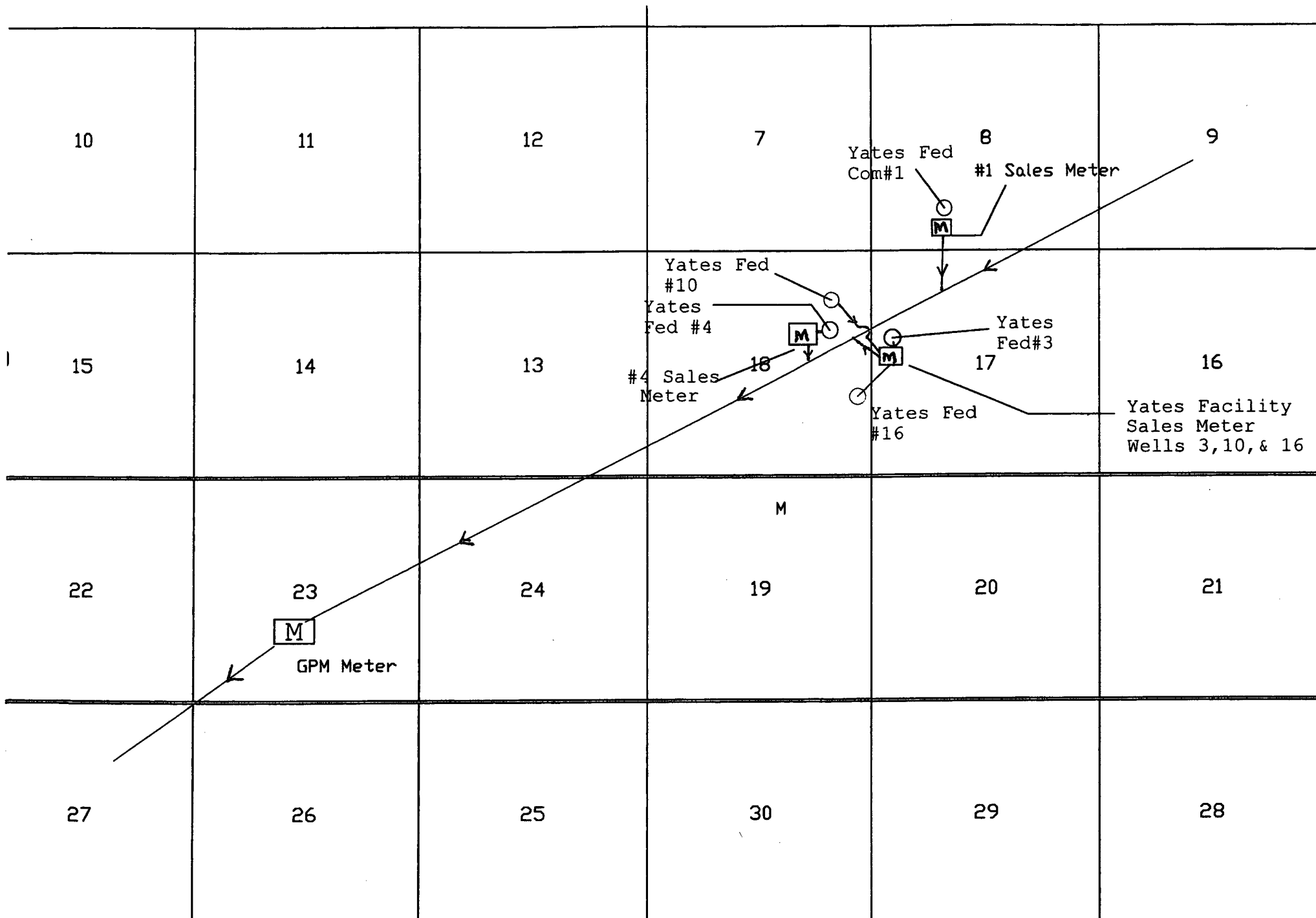
Sincerely,

Charles Kendrix
Engineering Technician
Marathon Oil Company
P.O. Box 3487
Houston, Texas 77253-3487
Ph. 713-296-2096

	Do Name	Do Number	Do Suffix	Owner Name Line 1	Owner Address Line 1	Owner City	Owner State	Owner Zip Code	Interest Type Code	Interest Decimal
*	YATES FEDERAL COM #1	140350	00001	BROOKS OIL GAS INTERESTS	BOX 23314	SANTA FE	NEW MEXICC	87502-3314	WI	0.00180460
*	YATES FEDERAL COM #1	140350	00001	D J TRUST	4544 CATHEDRAL DRIVE	DALLAS	TEXAS	75214-1905	OR	0.00625000
*	YATES FEDERAL COM #1	140350	00001	DAVOIL INC	PO BOX 200292	DALLAS	TEXAS	75320-0292	WI	0.03205500
*	YATES FEDERAL COM #1	140350	00001	G W HOLDINGS INC	PO BOX 1659	MIDLAND	TEXAS	79702	WI	0.05817950
*	YATES FEDERAL COM #1	140350	00001	MARATHON OIL CO	539 S MAIN ST	FINDLAY	OHIO	45840-3229	WI	0.73296090
*	YATES FEDERAL COM #1	140350	00001	MINERALS MANAGEMENT SERVICE	PO BOX 5810 TA	DENVER	COLORADO	80217-5810	RI	0.10937500
*	YATES FEDERAL COM #1	140350	00001	MINERALS MANAGEMENT SERVICE	PO BOX 5810 TA	DENVER	COLORADO	80217-5810	RI	0.01562500
*	YATES FEDERAL COM #1	140350	00001	YATES BROTHERS A PARTNERSHIP	105 SOUTH 4TH ST	ARTESIA	NEW MEXICC	88210-2177	OR	0.04375000
*	YATES FEDERAL COM #1	140350	00001							1.00000000



T
20
S



Marathon Oil Company Yates Federal Gas Gathering