Form 3160-5 (August 1999)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Oil Cons. N.M. DIV-Dist. 2 | 1301 W. Grand Avenue

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

1 VV. Grand Avenue Expires: Novemb

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.  6. If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE - Other instructions on reverse side  7. If Unit or CA/Agreement, Name and/or Name Allottee or Tribe Name Allottee or Tribe Name Name Allottee or Tribe Name Allottee or Tribe Name Name Name Allottee or Tribe Name Name Name Name Name Name Name Nam	SUNDRY NOTICES	AND REPORTS ON V	Artesia, N VELLS	M 88210	5. Lease S	Serial No.	01165
1. Type of Well	Do not use this form for	proposals to drill or to re	-enter an	•		***************************************	
1. Speed of Well Old Well & Gas Well   Other 2. Name of Operator Mark 15 7004 Mark	SUBMIT IN TRIPLICATE -	Other instructions on r	everse side				at, Name and/or N
2. Name of Operator  Mark 15 7007  Mark at Document Company  3. Address  P.O. Box 3467  Box 15 Figure Tool  Will 'N' Sec 8 , T 20 S, R 29 E  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION  Aber Cating   Frazine Treat   Rectumation   Water Shau-Off   Cating Repair   New Construction   Recomplate   Water Shau-Off   Cating Repair   New Construction   Recomplate   Final Abandouscen Notice   Cating Repair   Ping and Abandous   Temporarily Abandous   Final Abandouscen Notice   Cating Repair   Ping and Abandous   Temporarily Abandous   Final Abandouscen Notice   Cating Repair   Ping and Abandous   Temporarily Abandous   Final Abandouscen Notice   Cating Repair   Ping substrates locations and measured and true vertical depths of all pertners markers and your testing has been completed. Final Abandoussen Notices that is filled only after all requirements, including reclamation, have been completed, and the operator has determined that final fills in early for final imprection.)  Markethon Oli Company requests approved for the commingling gas production from the above well, Yatess Pederal 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 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 meters is to Duke Energy. Recruiting the gas stream from these wells allows Marathon to sell the gas from the Marrow completions as sevent with an increase in price per Mcf.  All interest and royalty interest consers in these wells were sent to these wells allows Marathon to sell the gas from the Marrow completions as sevent with an increase in price per Mcf.  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG	1. Type of Well		RECEI	VED		. ,,-	
Marathon Oil Company 3. Address 3b. Address 3b. Phone No. (Include area code) 713-295-2095 10. Field and Pool, or Exporatory Area PLE 'N' Sec 8 , T 20 S, R 29 E 11. Control of Well Fronces, Sec. T, R, M, or Survey Description)  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION  13. Notice of latest  14. County or Parish, State  15. Check APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION  15. Notice of latest  16. Casing Repair  17. Addition  18. Notice of latest  19. Notice of latest  10. Check APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  19. Notice of latest  10. Check APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  19. Notice of latest  10. Check APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  19. Notice of latest  10. Check APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  19. Notice of latest  10. Check APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  19. Notice of latest Market			MAR 1 5	7004	Yates Fe		
P.O. Boar 3487   Buston. Teenas 77253-3487   713-296-2096   10. Feld and fool, or Exploratory Area Button Flat Rozerow  III. 'NN' Sec 8 , T 20 S, R 29 E    12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   13. Notice of fuses						ell No.	
4. Location of Well (Footage, Sec. T. R. M., or Survey Description)  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  13. Notice of latest    Acidate				ea code)			
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION    2			/13-290-2096		1	•	•
TYPE OF SUBMISSION    Acidize					11. Count		е
Subsequent Report	12. CHECK APPROPRIATE	BOX(ES) TO INDICAT	E NATURE OF	NOTICE, REP	ORT, OR	OTHER DATA	Α
Subsequent Report	TYPE OF SUBMISSION		TY	PE OF ACTION	. W.V		<del></del>
Subsequent Report	X Notice of Intent	Acidize	Deepen	Production	ı (Start/Resum	e) Water	Shut-Off
Saing Repair   New Construction   Recomplete   Charge Plans   Phyg and Abandon   Temporarily Abandon   Converted Injection   Phyg and Abandon   Temporarily Abandon   Metalls below	Columnia Provide	Alter Casing	Fracture Treat	Reclamatio	ac	Well In	tegrity
Convert to Injection   Plug Back   Water Disposal	Suosequent Report	Casing Repair	New Construction	Recomplet	te	X Other	Please see
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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond who can be lied the Bond No. on file with BLMBIA. Required subsequent reports shall be filed within 30 day following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed only strength and 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. Remouting the gas stream from these wells allows Marathon to sell the gas from the Morrow completions as sweet with an increase in price per Mrf.  All interest and royalty interest owners in these wells were sent potice of comminding on 01/21/2004. A PPROVAL SUBJECT TO GENERAL REQUIREMENTS AND  This SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  This space does not variate or certify that the original field to the subject lease of the s	Final Abandonment Notice	Change Plans	Plug and Abandon	Temporari	ly Abandon	<u>details</u>	below
If the proposal is to deepen directionally or recomplete 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 BIMBA. Required subsequent reports shall be filed within 30 day following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed only after all requirements, including reclamation, have been completed, and the operator had determined that the final site is ready for final inspection.)  Marrathon 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.  Marrathon 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 Dube 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 comminding on 01/21/2004. A APPROVAL SUBJECTION ATTACHED Engineer Technician  Charles Kendrix  This SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOSODA  The TROLEUM ENGINEER Date MAR I O ZUDA  This space developed to this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject legal Office	_	Convert to Injection	Plug Back	Water Disp	posal		
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 APPROVAL SUBJECTIO  GENERAL REQUIREMENTS AND  14. I hereby certify that the foregoing is true and correct Name (Printed Typed)  Charles Kendrix  Title SPECIAL STIPULATIONS ATTACHED  Regineer Technician  Date 01/21/2004  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  THE TROLEUM ENGINEER Date MAR I 0 2004  Conditions of approval, if any, are attached. Approval of this notice does not warrant or Office	Attach the Bond under which the work will be perfollowing completion of the involved operations. It testing has been completed. Final Abandonment I determined that the final site is ready for final inspection.  Marathon Oil Company requests approduct.	formed or provide the Bond I f the operation results in a mu Notices shall be filed only afte- ction.)	No. on file with BLM altiple completion or real requirements, in all requirements in the second seco	BIA. Required secompletion in a recluding reclamation duction from	subsequent renew interval, on, have been the about	eports shall be find a Form 3160-4 and completed, and completed.	led within 30 days shall be filed once d the operator has <b>fates</b>
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  14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)  Charles Kendrix  Charles Kendrix  Date 01/21/2004  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  Tuber True True True True True True True Tr	propose to measure gas production allocate production to each well. In addition Marathon request's appoint will be located in UL 'E' S	proval for a change	of sales point. This sales	the well lo	ocations wo wells. Duke Ene	to be used . The new s ergy. Rerou	to ales ting the
GENERAL REQUIREMENTS AND  14. I hereby certify that the foregoing is true and correct Name (PrintedTyped)  Charles Kendrix  Title SPECIAL STIPULATIONS ATTACHED  Engineer Technician  Date 01/21/2004  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  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  Office		s Marathon to sell	the gas from t	he Morrow co	ampletian	is as sweet	with an
GENERAL REQUIREMENTS AND  14. I hereby certify that the foregoing is true and correct Name (PrintedTyped)  Charles Kendrix  Title SPECIAL STIPULATIONS ATTACHED  Engineer Technician  Date 01/21/2004  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  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  Office	All interest and royalty interest	owners in these we	lls were sept	1995 <del>1</del> 08.015.91	and prime	ng can 01/21	/2004. A
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)  Charles Kendrix  Charles Kendrix  Title SPECIAL STIPULATIONS ATTACHED  Engineer Technician  Date 01/21/2004  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  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  Office	list of owners is attached with t	his sundry.					
Name (Printed/Typed) Charles Rendrix  Date 01/21/2004  THIS SPACE FOR FEDERAL OR STATE OFFICE USE  Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  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  Office							
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Approved by (ORIG. SGD.) ALEXIS C. SWOBODA  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  Office	Charles Lending		Date 01/21/2	004			
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	THIS	S SPACE FOR FEDERA	L OR STATE OF	FICE USE			
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	Approved by (ORIG. SGD.) ALEXIS (	C. SWOBODA	THETROL	EUM ENGI	NEER	Date MAR	1 0 2002
	certify that the applicant holds legal or equitable title to	those rights in the subject le	or 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



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,	Approved this day of, 2004
Charles E. Kendis	
Charles Kendrix	Printed Name:
Engineer Technician	Title:
	Title.
	Company Name (if applicable)



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 9<sup>th</sup>, 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					·		
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10	11	12	Co	tes Fed m#1 #1 Allocation Meter	Duke Sales Meter for #'s
T 20 15 S	14	13 #4 Al	Yates Fed #10 Yates Fed #4 Location ter	Yates Fed#3 17 Yates Fed New I #16 Meter 10, 8	16 Duke Sales for #'s 3,
22	53	24	19	20	21
27	26	25	30	29	28
	Marathon Oil	Company Yat	es Federal af	ter changes	

11	12	7 Yates Fed #10	ates Fed m#1 #1 Sales Met	er 9
		Yates Fed		
14	13 #	rates Fed #4  Sales	Yates Fed#3 17 Yates Fed #16	<b>16</b> Yates Facility  Sales Meter  Wells 3,10,& 16
23 M GPM Meter	24	M 19	20	21
26	25	30	29	28
	GPM Meter	23 24 M GPM Meter 26 25	23 24 19 M GPM Meter 25 30	23 24 19 20 M GPM Meter 25 30 29