



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

April 28, 1999

Marathon Oil Company  
P.O. Box 2490  
Hobbs, New Mexico 88240

Attn: Mr. Andrew J. Schwandt

Re: Request for Exception to Rule 303-A  
Downhole Commingling Application  
McCallister State Well No. 11  
Unit Letter K, Section 25-17S-34E  
Vacuum Blinebry, Vacuum, Abo; Vacuum, Wolfcamp; and Vacuum, Upper Penn Pools  
Lea County, New Mexico

Dear Mr. Schwandt:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on April 12, 1999. Your application requests our approval to downhole commingle the Vacuum Blinebry, Vacuum, Abo; Vacuum, Wolfcamp and Vacuum, Upper Penn production within the wellbore of the McCallister State Well No. 11 located in Unit Letter K, Section 25-17S-34E, Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil %</u>	<u>Gas %</u>
Vacuum, Wolfcamp	25.5%	32.1%
Vacuum, Upper Penn	10.6%	7.2%
Vacuum, Blinebry	44.7%	32.1%
Vacuum, Abo	19.2%	28.6%
	-----	-----
	100%	100%

"WE WORK FOR EDUCATION"

Marathon Oil Company  
April 28, 1999  
Page 2

Since it appears that the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

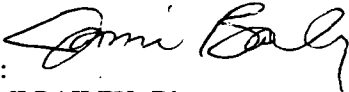
Please submit your filing fee in the amount of \$30.00.

Also, please submit a copy of the Oil Conservation Division's Order approving this application.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File

OCD--Attention: David Catanach, Ben Stone