

COMMISSIONER'S OFFICE
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DHC-2788

COMMERCIAL RESOURCES
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Phone (505) 827-5700
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SURFACE RESOURCES
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Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

July 7, 2000

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

Attn: Mr. Andrew J. Schwandt

Re: Downhole and Surface Commingling Application
William Lightfoot '20' State Well No. 1
Unit Letter M, Section 20-19S-28E
Wildcat; Wolfcamp and Winchester; Upper Penn West Pools
Eddy County, New Mexico

Dear Mr. Schwandt:

We are in receipt of your application of June 26, 2000, requesting our approval to downhole and surface commingle the production from the above subject well from the Wildcat; Wolfcamp and Winchester; Upper Penn West Pools in Eddy 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>
Wildcat; Wolfcamp	44%	45%
Winchester; Upper Penn West	56%	55%
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	100%	100%

Since it appears that 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 a filing fee in the amount of \$30.00.

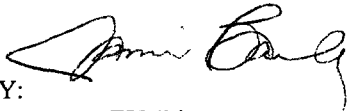
Also, please submit a copy of the Oil Conservation Division's approval order.

Marathon Oil Company
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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