August 28, 1984

Administrative Order No. DHC-515

Marathon Oil Company
P.O. Box 2409
Hobbs, NM 88240

Attention: Calvin C. Saathoff

Re: McCallister State Well No. 6
1650 FSL & 660 FWL, Sec. 25,
T-17 South, Range 34 East,
Lea County, New Mexico

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations for the subject dually completed well to permit the removal of the down-hole separation equipment and to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any administrative Division Order which may have authorized the dual completion and required separation of the two zones, is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production from the well shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be

determined by multiplying 2,000 by top unit allowable for the Vacuum Blinebry Pool.
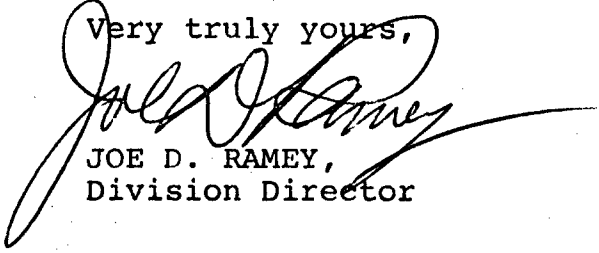
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Vacuum Glorieta Pool: Oil 76 %, Gas 56 %
Vacuume BLinebry Pool: Oil 24 %, Gas 44 %

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

JOE D. RAMEY,
Division Director