



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

January 10, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Administrative Order No. DHC-586

Hanley Petroleum Inc.
1500 Wilco Bldg.
Midland, Texas 79701

Attention: Frank Forsyth

Re: Marathon-Martinez Federal No. 1
Unit O, Sec. 31, T-19-S, R-29-E, NMPM,
Eddy County, New Mexico
Wildcat Delaware & Wildcat Bone Springs Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well 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 Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

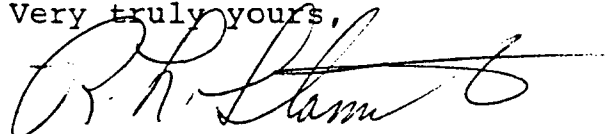
In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 60 barrels per day, and total water production from the well shall not exceed 120 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2,000 by top unit allowable for the Delaware Depth Bracket Allowable.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Delaware Pool:	Oil 43%, Gas 60%
Bone Springs Pool:	Oil 57%, Gas 40%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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

A handwritten signature in dark ink, appearing to read "R. L. Stamets", with a long horizontal flourish extending to the right.

R. L. STAMETS,
Director

cc: Gas Co. of N.M.
OCD District Office - Artesia