



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1097

Thomas M. Price
Marathon Oil Company
P.O. Box 552
Midland, Texas 79702-0552

Attention: Mr. Thomas M. Price

*McCallister State Well No.11
Unit K, Section 25, Township 17 South, Range 34 East, NMPM,
Lea County, New Mexico.
North Vacuum Abo, Vacuum Wolfcamp and Vacuum Upper Penn Pools*

Dear Mr. Price:

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 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 80 barrels per day, and total water production shall not exceed 160 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the North Vacuum Abo Pool.

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

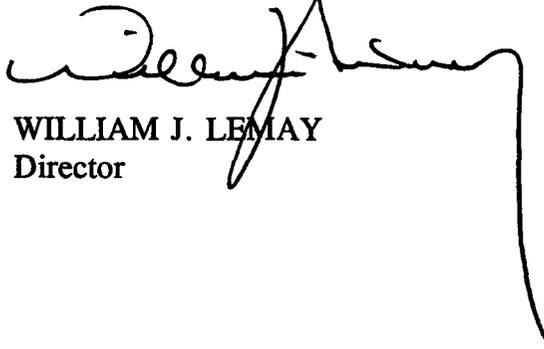
North Vacuum Abo Pool	Oil 33%	Gas 43%
Vacuum Wolfcamp Pool	Oil 48%	Gas 47%
Vacuum Upper Penn Pool	Oil 19%	Gas 10%

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 6th day of March, 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division