

DHC-1275



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
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ROYALTY
(505)-827-5772

State of New Mexico Commissioner of Public Lands

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(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

October 28, 1997

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88241-2409

Attn: Mr. Bryan L. Williams

Re: Downhole Commingling Application
Exception to Rule 303-A
Warn St. A/C1 Well No. 7
Unit F, Section 31-17S-35E
Abo, Wolfcamp and Penn Pools
Vacuum Field
Lea County, New Mexico

Dear Mr. Williams:

We are in receipt of your application of October 15, 1997, requesting our approval to downhole commingle the production from the above subject well from the Abo, Wolfcamp and Penn Pools in 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, Abo	61%	78%
Vacuum, Wolfcamp	9%	12%
Vacuum, Penn	30%	10%
	<u>100%</u>	<u>100%</u>

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.

Marathon Oil Company
October 28, 1997
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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