



State of New Mexico
2006 JUL 20 PM 1 41
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

PATRICK H. LYONS
COMMISSIONER

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

July 18, 2006

Marathon Oil Company
P.O. Box 3487
Houston, Texas 77253-3487

Attn: Mr. Charles E. Kendrix

Surface Commingling
McDonald State A/C 1 Central Battery
Sections 15, 16 Township 22 South, Range 36 East
A-2614-0 and B-1103-2
Lea County, New Mexico

Dear Mr. Kendrix:

We are in receipt of your letter of March 20, 2006 requesting our approval for surface commingling of production from multiple pools and leases underlying Sections 15 & 16 in Township 22 South, Range 36 East. The production will be commingled at the McDonald State A/C 1 Battery located in the SW/4NE/4 of Section 16, Township 22 South, Range 36 East.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division. Please submit a copy of the NMOCD's approval order to this office.

Please also submit a \$30.00 dollar filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File, OCD-Attention: David Catanach

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University