

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

February 24, 1967

C
Marathon Oil Company
P. O. Box 220
Hobbs, New Mexico

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Attention: Mr. John R. Barber

Administrative Order CTB-168

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Gentlemen:

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Reference is made to your application dated February 20, 1967, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Stateline-Ellenburger production from your McDonald State A/c 3-A Lease comprising the S/2 SE/4 of Section 32, Township 23 South, Range 38 East and your McDonald State A/c 3-B Lease comprising the N/2 SW/4 of said Section 32, Lea County, New Mexico. It is our understanding that both of these leases are part of the same basic lease issued by the State of New Mexico, that the ownership of the leases is identical throughout, and that you therefore propose to allocate the production to each of the leases on the basis of periodic well tests.

Under the authority granted me pursuant to Rule 309-B, Marathon Oil Company is hereby authorized to commingle the above-described production as proposed, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities."

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs -- State Land Office,
Santa Fe

cc: The Conservative Commission - (with enclosure) - Robbe
cc: The Administrative Committee - Robbe -- State Lane Office