



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

**COMMINGLING ORDER PLC-163**

Marathon Oil Company  
P.O. Box 2490  
Hobbs, New Mexico 88240

Attention: Mr. Andrew J. Schwandt

The above-named company is hereby authorized to commingle North Vacuum-Abo (Oil - 61760) and North Vacuum-Atoka Morrow (Gas - 86800) Pool production from the following leases:

Lease: Silverstrand State Well No. 1 (State Lease No. E00619)  
Description: W/2 of Section 2, Township 17 South, Range 34 East, NMPM, and

Lease: Willowpeg State Well No. 1 (State Leases No. VB0508 and L04526)  
Description: W/2 of Section 35, Township 16 South, Range 34 East, NMPM,

located in Lea County, New Mexico.

Gas production shall be allocated to each lease by separately metering the production from the North Vacuum-Abo Pool and determining the North Vacuum-Atoka Morrow Gas Pool production by the subtraction method. Oil production will be measured individually and sold at each lease.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The common gas sales meter is located in SE/4 NW/4 (Unit F) of Section 35, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico.

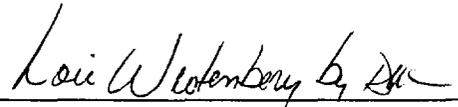
FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of the commingling process.

PROVIDING: Validation of this authority shall be accomplished by like approval from the State Land Office.

*Administrative Commingling Order PLC-163*  
*Marathon Oil Company*  
*January 5, 2000*  
*Page 2*

---

DONE at Santa Fe, New Mexico, on this 5<sup>th</sup> day of January, 2000.



LORI WROTENBERY,  
Division Director

LW/MWA/kv

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