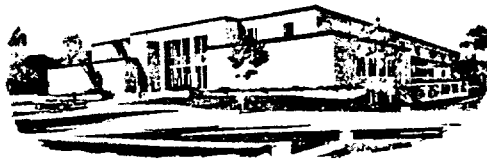


State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-692

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

March 10, 1988

Marks-Garner Production Co.
ATTENTION: Mr. J. H. Buddy Garner
P. O. Box 70
Lovington, New Mexico 88260

Re: Commingling of oil production
from State Lease No. B-11610 into
the Kaiser tank battery in
Section 27-T17S-R28E, Lease No.
B-6807 Lea County, New Mexico

Gentlemen:

Reference is made to your application dated March 3, 1988, wherein you have requested approval to commingle oil production into a common tank battery from the Wilson State Well No. 4-I Sec. 23-T21S-R34E to the Kaiser Tank Battery located in the SW/4 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico.

Since ownership is common throughout and it appears that there will be no loss of revenue to the State of New Mexico through your proposed operation, you are hereby given approval to the above request. Any deviation from your proposed request will be reason to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

When submitting future applications for commingling please include all the information as specified in our Rules and Regulations Nos. 1.053 thru 1.055, a copy of which has been enclosed.

Please remit a filing fee in the amount of Thirty (\$30.00) Dollars.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS
BY: *Floyd O. Prado*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

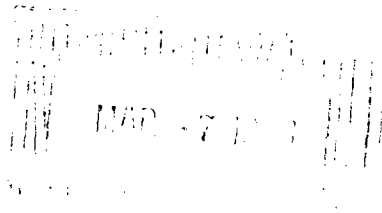
WRH/FOP/pm
encls

cc: OCD-Santa Fe, New Mexico
TRD-Santa Fe, New Mexico
B-6807--5, B-11610-3

MARKS-GARNER PRODUCTION CO.

PRODUCERS OF OIL & GAS

Phone (505) 396-5326
P.O. Box 70 - 1421 S. Love St.
Lovington, New Mexico 88260



March 3, 1988

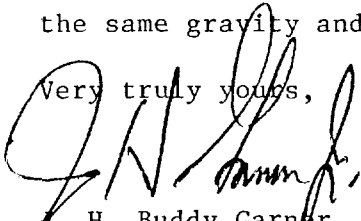
Office of the
Commissioner of Public Lands
P O Box 1148
Santa Fe, New Mexico 87504-1148

RE: Leases B-1161 & B-6807

Gentlemen:

Our request to commingle the production on the Wilson State and Kaiser
State Batteries will in no way cause any reduction in value of oil sold.
All production is from the Seven Rivers formation and has approximately
the same gravity and value.

Very truly yours,



J. H. Buddy Garner
Partner

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PROPERTY	NO. WELLS OIL GAS SWD	TA	LOCATION	STATE LEASE NO.	GROSS ACRES	W%	W%	DEPTH LIMITATIONS	COMMENTS
WILSON STATE "A"	2	4	7-218-35E	B-1439	160	100.00	87.50	0-5200' 5200'-12,925' BELOW 12,925'	HBP BY UNION N. WILSON DEEP UT. 5-218-35E
SHELL STATE	2	4	7-218-35E	B-1399	320	100.00	75.00	0-4000' (N/2 NW/4) 0-5000' (S/2 NW/4) 0-4500' (SW/4) 0-4139' (E/2 NE/4 13) 0-4000' (SE/4 SE/4 12) 0-4000'	SHELL HAS PREFERENTIAL PURCHASED RIGHT
WILSON ST NO 3	1		13-218-34E	B-8251	40	100.00	87.50	0-5000' BELOW 5200'	HBP BY WELLS ON OTHER PARTS OF BASE LEASES
WILSON ST NO 4	4	1	13-218-34E	B-6807	360	100.00	87.50	0-5200' BELOW 5200'	SAVING EXPENSES INTEREST IN THE UNION WILSON DEEP UT. #1 (N/2 1/4 SE-218-34E)
WILSON ST NO 5	1		23-218-34E	E-229	200	100.00	87.50	0-5000' 3200-14,565' BELOW 14,565'	
WILSON ST NO 6	1		23-218-34E	E-9084	120	100.00	87.50	0-5000' 5200'-14,565' BELOW 14,565'	
WEST WILSON	2		21-218-34E 9-218-34E 16-218-34E	NW-1184 E-9446 E-1850	480 160 160	100.00 100.00 100.00	83.00 83.00 83.00	0-4100' 0-4100' 0-4100'	
VALERO	1		16-218-34R	E-7849	80	100.00	82.00	NONE	
SOUTH WILSON			23-218-34E 14-218-34E	B-11610 B-11610	360 80	100.00 100.00	87.50 87.50	NONE NONE	
STATE 19	1		19-218-35E	E-3145	40	100.00	87.50	0-4000'	
PHILLIPS STATE			14-218-34E	E-1923					

MARKS-GARNER PRODUCTION CO.

PRODUCERS OF OIL & GAS

Phone (505) 396-5326
P.O. Box 70 - 1421 S. Love St.
Lovington, New Mexico 88260

February 18, 1988

Oil Conservation Division
P O Box 2038
Santa Fe, New Mexico

ATTN: Bill LeMay

RE: Leases B-1161 & B-6807

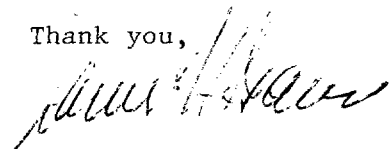
Dear Mr. LeMay:

We would like to request permission to commingle the two above referenced leases. This request is made to acquire a more economic production status on these leases. We have produced these leases for more than two months, therefore, we have a fairly accurate measurement. Ownership

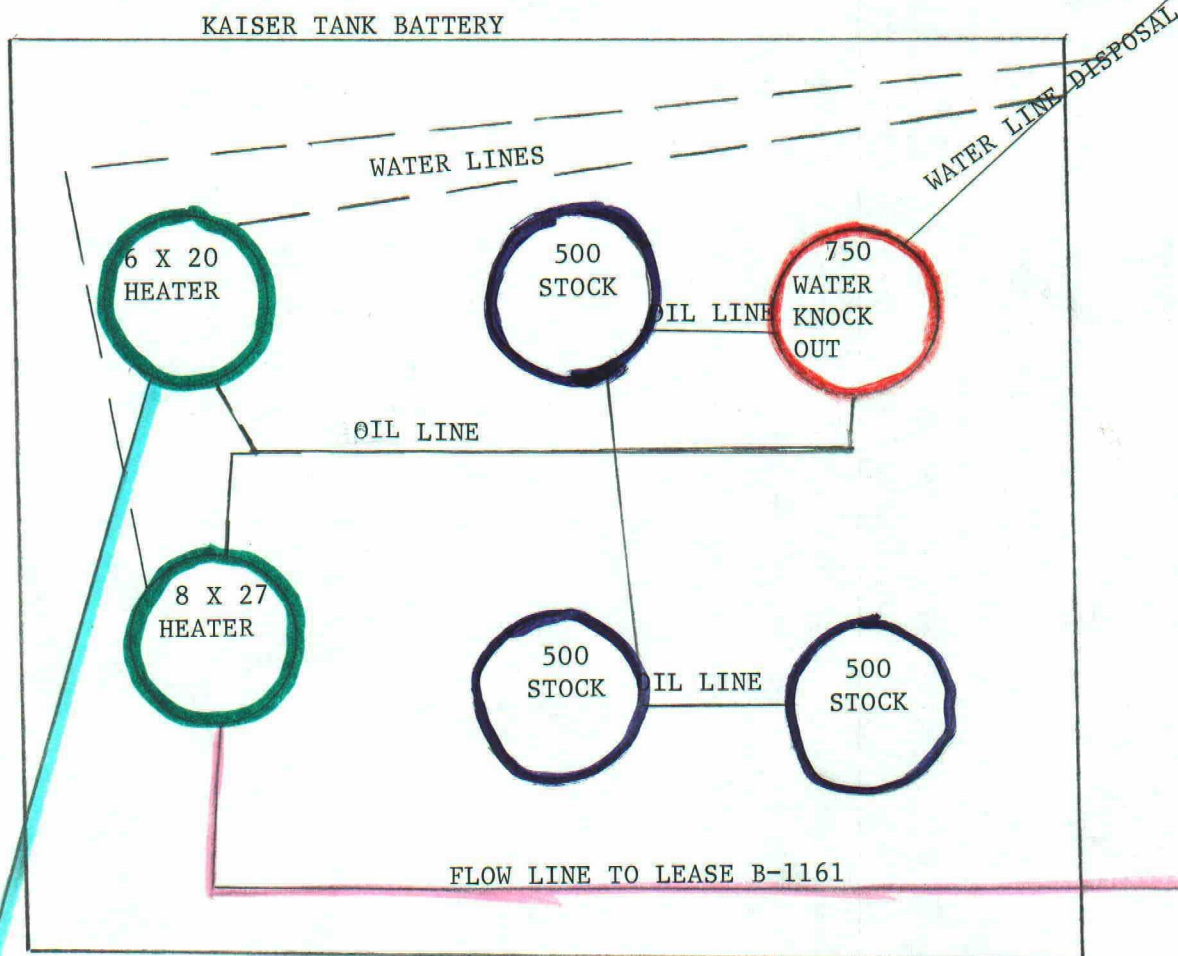
of these leases are identical:	Marks - Garner	
	Production Co.	87.50 Net Interest
		100% Working Interest
	State of N.M.	12.50 Net Royalty

Your consideration is greatly appreciated.

Thank you,


J. H. Buddy Garner
Partner

ALL OIL PRODUCED FROM SEVEN RIVERS FORMATION



FLOW LINE
LEASE B-6807

N. ~~Richard~~ Lamb 7-2