

MARKS-GARNER PRODUCTION CO.

PRODUCERS OF OIL & GAS

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

August 15, 1989

Oil Conservation Division
P O Box 2038
Santa Fe, New Mexico 87504-2088

ATTN: Bill LeMay

RE: Leases B-1161 & B-6807
Commingled in March 1988
Lease B-1439 & E-1830
Request to Commingle

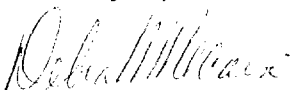
Dear Mr. LeMay:

We would like to request permission to commingle leases B-1439 and E-1830 with the leases we commingled in March 1988, B-1161 and B-6807. This request is made to acquire a more economic production status on these leases. The primary purpose is disposal of produced water. All of the wells mentioned are producing from the Seven Rivers formation and have an extremely high water to oil ratio. We are only interested in commingling the Yates Seven Rivers. Our only disposal wells are in Section 13 and trucking the produced water there is not economically possible. All of the oil produced from this formation is virtually the same gravity and value. 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	87.50 Net Income 100.00 Working Interest
State of N.M.	12.50 NET Royalty

Your consideration is greatly appreciated.

Thank you,



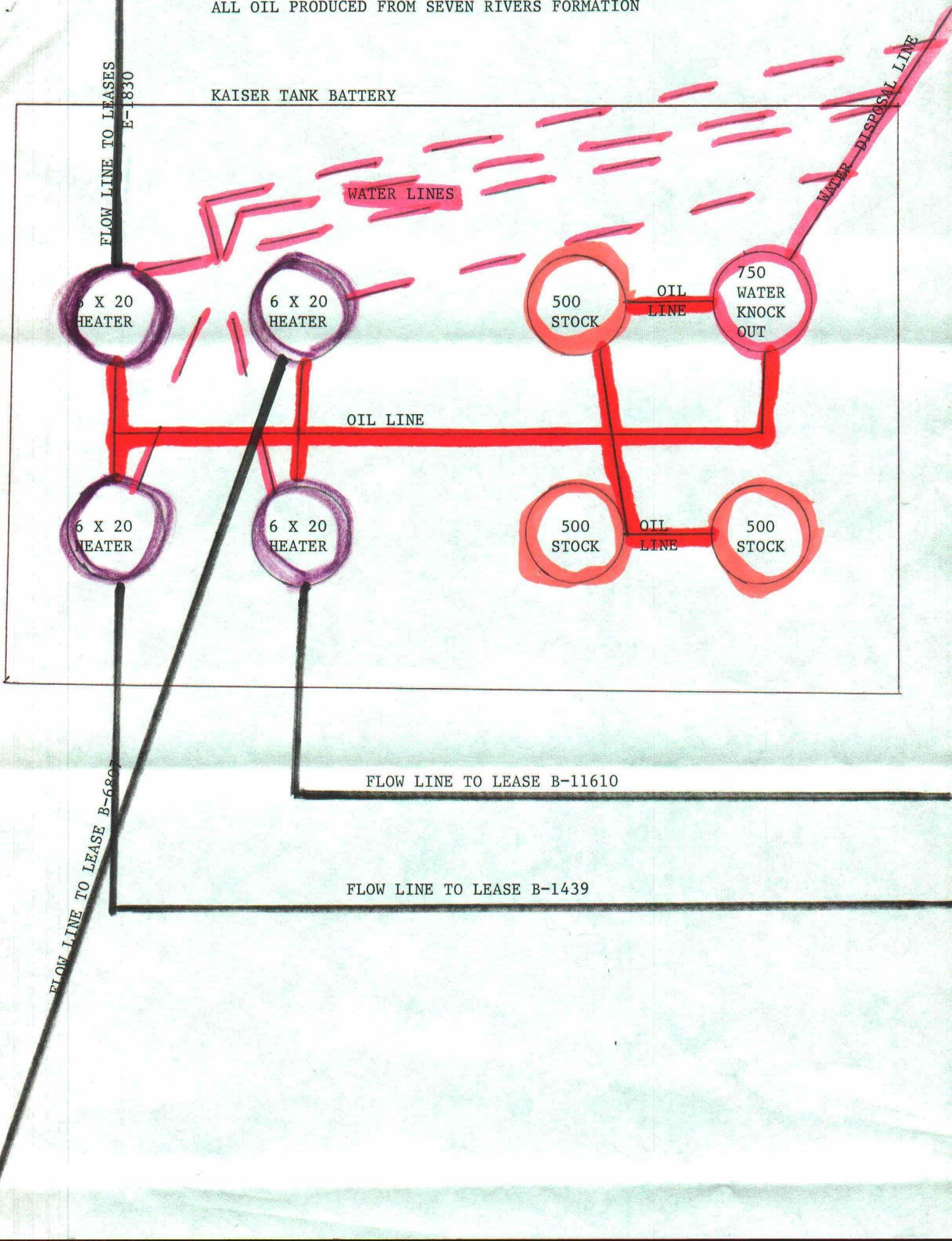
Debra M. Necaise

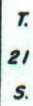
RECEIVED

AUG 16 1989
OIL CONSERVATION DIV.
SANTA FE

ALL OIL PRODUCED FROM SEVEN RIVERS FORMATION

KAISER TANK BATTERY





LEA COUNTY, NEW MEXICO
CONTOURS ON TOP OF PAY
BY: RAYMOND LAMB, VICE PRES.
WILSON OIL CO. ARTESIA, NEW MEXICO

- Underground Pipe

PROPERTY	NO. WELLS			LOCATION	STATE LEASE NO.	GROSS ACRES	WELLS		DEPTH LIMITATIONS	COMMENTS
	OIL	GAS	SWD	TA			W	N		
WILSON STATE "A"				2	B-1439	160	100.00	87.50	0-5200'	HBP BY UNION
							43.75	38.28	5200'-12,925'	N. WILSON DEEP UT.
							87.50	76.56	BELOW 12,925'	5-21S-35E
SHELL STATE	2			4	B-1399	320	100.00	75.00	0-4000' (N/2 NW/4)	SHELL HAS PREFERENTIAL
									0-5000' (S/2 NW/4)	PURCHASED RIGHT
									0-4500' (SW/4)	
					B-1167	120	100.00	75.00	0-4139' (E/2 NE/4 13)	HBP BY WELLS ON
					B-1400	80	100.00	75.00	0-4000' (SE/4 SE/4 12)	OTHER PARTS OF
									0-4000'	BASE LEASES
WILSON ST NO 3	1				B-8251	40	100.00	87.50	0-5200'	
							43.75	38.28	BELOW 5200'	
WILSON ST NO 4	4	1	1	1	B-6807	360	100.00	87.50	0-5200'	SAVE & EXCEPT THE
		(FUEL)					43.75	38.28	BELOW 5200'	INTEREST IN THE UNION
										WILSON DEEP UT. #1
										(W/2 13-21S-34E)
WILSON ST NO 5	1				E-229	200	100.00	87.50	0-5200'	
							50.00	43.75	5200-14,565'	
							87.50	76.56	BELOW 14,565'	
WILSON ST NO 6	1				B-9084	120	100.00	87.50	0-5200'	
							43.75	38.28	5200'-14,565'	
							87.50	76.56	BELOW 14,565'	
					B-1161	40	100.00	87.50	0-5200'	
							43.75	38.28	BELOW BASE OF MORROW	
WEST WILSON	2				NM-1184	480	100.00	87.50	0-4100'	
					B-9446	160	100.00	87.50	0-4100'	
					E-1830	160	100.00	87.50	0-4100'	
VALERO		1			B-7849	80	100.00	82.00	NONE	
SOUTH WILSON					B-11610	360	100.00	87.50	NONE	
					B-11610	80	100.00	87.50	NONE	
STATE 19	1				E-3145	40	100.00	87.50	0-4000'	
PHILLIPS STATE					E-1923	40	100.00	75.00	0-4000'	