

NEW MEXICO OIL CONSERVATION DIVISION  
POST OFFICE BOX 2088  
SANTA FE, NEW MEXICO 87501

COMMINGLING ORDER CTB-278

Company: Marathon Oil Company  
Address: P. O. Box 2409  
City, State, Zip: Hobbs, New Mexico 88240

Attention: Mr. William R. Huck

The above-named company is hereby authorized to commingle

South Eunice

pool production from the following leases:

Lease Name: McDonald State A/C 1  
Description: All of Sec. 16, T-22-S, R-36-E, NMPM, Lea County  
except the NE/4 NW/4 and W/2 NW/4

Lease Name: McDonald State A/C1-A  
Description: All of Sec. 15, T-22-S, R-36-E, NMPM

Lease Name:  
Description:

Production shall be allocated to each lease by

separately metering the production from each lease prior to  
commingling

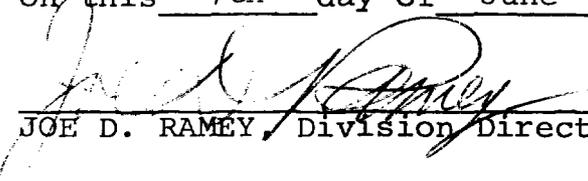
separately metering the production from the  
and determining the  
production by the subtraction method

well tests (if this method or the subtraction method above is  
to be authorized, all commingled production must be of identical  
ownership: working interest, royalty interest, and overriding  
royalty interest)

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: Inasmuch as both of the above leases are part of the same  
basic State Lease (No. A-2614), Land Office approval is not  
deemed necessary.

DONE at Santa Fe, New Mexico, on this 7th day of June 1978.

  
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JOE D. RAMEY, Division Director