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

2nd AMENDMENT- ADMINISTRATIVE ORDER DHC-120

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

Attention: Mr. Andrew J. Schwandt

McCallister State No. 5
API No. 30-025-20116
Unit M, Section 25, Township 17 South, Range 34 East, NMPM,
Lea County, New Mexico.
North Vacuum-Abo (61760),
Vacuum-Wolfcamp (62340) and
Vacuum-Blinebry (61850) Pools

Dear Mr. Schwandt:

Reference is made to your recent application for an amendment to Administrative Order No. DHC-120 dated April 24, 1997, which order authorized the downhole commingling of production from the North Vacuum-Abo, Vacuum-Wolfcamp and Vacuum-Devonian Pools in the wellbore, to delete the Vacuum-Devonian Pool and add the Vacuum-Blinebry Pool.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 142 B/D

Gas 284 MCF/D

Water 284 BWP/D

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

North Vacuum-Abo Pool	Oil 13%	Gas 27%
Vacuum-Wolfcamp Pool	Oil 1%	Gas 1%
Vacuum-Blinebry Pool	Oil 86%	Gas 72%

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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 8th day of October, 1998.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY

Director

SEAL

WJL/DRC

cc: Oil Conservation Division - Hobbs

State Land Office-Oil & Gas Division