



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
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ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

September 11, 1998

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

Attn: Mr. Andrew J. Schwandt

Re: Downhole Commingling Application
McCallister State No. 5
SW/4SW/4 Sec. 25-17S-34E
Abo, Wolfcamp, and Blinebry Pools
Vacuum Field
Lea County, New Mexico

Dear Mr. Schwandt:

We are in receipt of your application of September 1, 1998, requesting our approval to downhole commingle the production from the above subject well from the Vacuum, Abo; Vacuum, Wolfcamp; and Vacuum, Blinebry pools, Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	Oil %	Gas %
Vacuum; Blinebry	86%	72%
N. Vacuum; Abo	13%	27%
Vacuum; Wolfcamp	<u>01%</u>	<u>01%</u>
	100%	100%

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

"WE WORK FOR EDUCATION"


Marathon Oil Company
September 11, 1998
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Please submit your \$30.00 filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File,

OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson