



COMMERCIAL RESOURCES  
(505)-827-3724

SURFACE RESOURCES  
(505)-827-3793

MINERAL RESOURCES  
(505)-827-3744

ROYALTY  
(505)-827-3772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5763

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. 12  
NW/4SW/4/Sec. 25-17S-34E  
Abo, Wolfcamp, and Upper Penn 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, Penn 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 %
North Vacuum; Abo	75%	38%
Vacuum; Wolfcamp	16%	23%
Vacuum; Upper Penn	<u>09%</u>	<u>39%</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  
Page 2

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