

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

AMENDED ADMINISTRATIVE ORDER DHC-2083

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

Attention: Mr. Andrew J. Schwandt

Warn State A/C 2 No. 26 API No. 30-025-33541 Lot 5, Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Vacuum-Wolfcamp (Oil – 62340) and Vacuum Upper-Penn (Oil – 62320) Pools

Dear Mr. Schwandt:

Reference is made to your recent application for an amendment to Division Order No. DHC-2083 dated August 25, 1998, which order authorized the commingling of Vacuum-Wolfcamp, Vacuum Upper-Penn and Vacuum-Atoka Pool production within the Warn State A/C 2 No. 26. It is our understanding that the Vacuum-Atoka Pool has been plugged and that the well will now be commingled only within the Vacuum-Wolfcamp and Vacuum Upper-Penn Pools.

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 and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

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

Vacuum-Wolfcamp Pool	Oil-29%	Gas-35%
Vacuum Upper-Penn Pool	Oil-71%	Gas-65%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 August, 2000.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Lou Westenbery by De

LORI WROTENBERY

Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs State Land Office-Oil & Gas Division