



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

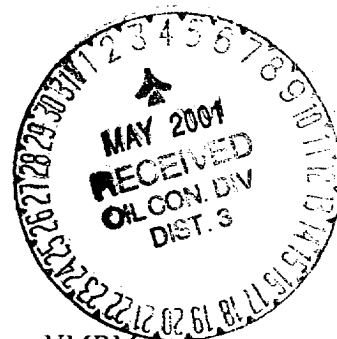
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2896

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702-0552

Attention: Mr. Jerry Fletcher

*Well
Kutz-Farmington
Pool*



Ohio "C" Government No. 4

API No. 30-045-22188

*Unit J, Section 26, Township 28 North, Range 11 West, NMPM,
San Juan County, New Mexico.*

*Undesignated Kutz-Farmington (Gas - 79600) and
Fulcher Kutz-Pictured Cliffs (Gas - 77200) Pools*

[Handwritten signature]

Dear Mr. Fletcher:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception 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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

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

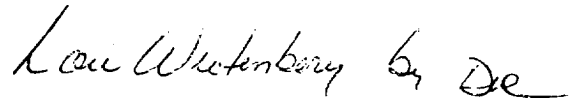
Undesignated Kutz-Farmington Gas Pool	Oil- N/A	Gas-30%
Fulcher Kutz-Pictured Cliffs Gas Pool	Oil-N/A	Gas-70%

REMARKS: The operator shall notify the Aztec 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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 2nd day of May, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery by De".

LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec /
Bureau of Land Management-Farmington