



DHC-120

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MINERAL RESOURCES
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ROYALTY
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State of New Mexico
Commissioner of Public Lands

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LEGAL
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PLANNING
(505)-827-5752

April 8, 1997

Marathon Oil Company
P.O. Box 2409
Hobbs, New Mexico 88241-2409

Attn: Mr. Bryan L. Williams

Re: Downhole Commingling Application
McCallister State Well No. 5
Unit Letter M, Section 25-17S-34E
Abo, Wolfcamp and Devonian Pools
Vacuum Field
Lea County, New Mexico

Dear Mr. Williams:

We are in receipt of your application of March 20, 1997, requesting our approval to downhole commingle the production from the above subject well from the Abo, Wolfcamp and Devonian Pools in 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>	
	<u>Oil%</u>	<u>Gas %</u>
North Vacuum Abo	47.5%	38.5%
Vacuum Wolfcamp	2.5%	2.0%
Vacuum Devonian	50.0%	59.5%
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	100%	100%

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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.

Please submit your filing fee in the amount of \$30.00.

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/cpm

Enclosure

cc: Reader File

OCD--Attention: David Catanach, Ben Stone