



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3154

Marathon Oil Company
PO Box 552
Midland, Texas 79702

Attention: Steve Millican

Indian Federal Gas Com Well No. 1
API No. 30-015-10355
Unit G, Section 19, Township 21 South, Range 24 East, NMPM,
Eddy County, New Mexico
Indian Basin-Upper Penn Associated (Gas 33685), and
Indian Basin-Morrow (Gas 78960) Pools

Dear Mr. Millican:

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 well bore.

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 that may be produced daily from the well shall be determined by the applicable Division rules and regulations.

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

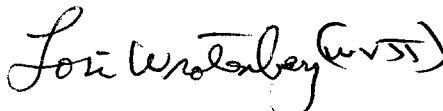
Indian Basin-Upper Penn Associated Gas Pool	Oil-NA	Gas-43%
Indian Basin-Morrow Gas Pool	Oil-NA	Gas-57%

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 23rd day of May 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad