



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

January 13, 1993

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

Attention: Mr. Stephen P. Guidry

Re: Application for Downhole Commingling Lease No. E-744-2
State E-744-15 Well No. 1-I
Section 15, 18S, 33E
Lea County, New Mexico

Dear Mr. Guidry:

Reference is made to your letter of December 30, 1992, wherein you have requested our approval to downhole commingle production from the Delaware and Bone Spring formations in the State E-744 "15" Well No. 1.

We have derived the following information from your application:

1. Before downhole commingling, the State E-744 "15" Well No. 1 was being pumped in the Delaware Sand after the Bone Spring was temporarily abandoned in August, 1991.
2. Due to the marginal status of this well, downhole commingling is necessary to economically operate the well.
3. Ownership of the two pools commingled is common and correlative rights will not be violated. Also, the quality and gravity of the two oils are identical so commingling will not devalue the market price of the combined stream.

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 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.

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If you have any questions, or if we may be of further help,
please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
OCD
TRD