



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5795

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

October 28, 1997

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

Attn: Mr. Bryan L. Williams

Re: Downhole Commingling Application  
Exception to Rule 303-A  
Warn St. A/C1 Well No. 7  
Unit F, Section 31-17S-35E  
Abo, Wolfcamp and Penn Pools  
Vacuum Field  
Lea County, New Mexico

Dear Mr. Williams:

We are in receipt of your application of October 15, 1997, requesting our approval to downhole commingle the production from the above subject well from the Abo, Wolfcamp and Penn 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>
Vacuum, Abo	61%	78%
Vacuum, Wolfcamp	9%	12%
Vacuum, Penn	30%	10%
	100%	100%

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 a filing fee in the amount of \$30.00.

Marathon Oil Company

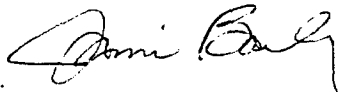
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If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

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

xc: Reader File

OCD—Attention: David Catanach, Ben Stone