



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

AMENDED ADMINISTRATIVE ORDER DHC-2717-C

Marathon Oil Company
P.O. Box 2490
Hobbs New Mexico 88241

Attention: Mr. Thomas P. Kacir

*Jicarilla Apache No. 11
API No. 30-039-08149
Unit M, Section 28, Township 26 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico
Blanco-Mesaverde (Prorated Gas – 72319) and
Otero-Chacra (Gas – 82329) Pools*

Dear Mr. Kacir:

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, and for an amendment to Division Order No. DHC-2717, which authorized the downhole commingling of South Blanco-Pictured Cliffs, Basin-Dakota, Blanco-Mesaverde and Otero-Chacra Pool production within the Jicarilla Apache No. 11.

It appearing that the subject well qualifies for approval for such amendment 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:

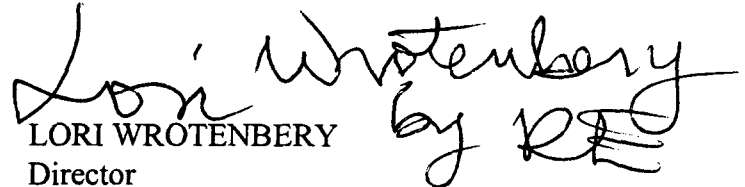
| | | |
|---------------------------|----------|---------|
| Blanco-Mesaverde Gas Pool | Oil-100% | Gas-44% |
| Otero-Chacra Gas Pool | Oil-N/A | Gas-56% |

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 20th day of September 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

LW/RE

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