



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3104

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702-0552

Attention: Mr. Tim L. Chase

*Yates Federal Com Well No. 1
API No. 30-015-20926
Unit N, Section 8, Township 20 South, Range 29 East, NMPM,
Eddy County, New Mexico
East Burton Flat-Strawn (Gas - 73400) and
East Burton Flat-Morrow (Gas - 73320) Pools*

Dear Mr. Chase:

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 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 Southeast Gas Proration Schedule.

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

East Burton Flat-Strawn Gas Pool	Oil-0%	Gas-13%
East Burton Flat-Morrow Gas Pool	Oil-100%	Gas-87%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 30th day of January 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Division Director

LW/DRC

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