COM ASSIONER'S OFFICE Phone (505) 327-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-1245 Fax (505) 827-5766



New Mexico State Land Office Commissioner of Public Lands Ray Powell, M.S., D.V.M.

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COMMERCIAL RESOURCES
Phone (505) 827-577 5
Fax (505) 827-615 /

MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

SURFACE RESOURCES Phone (505) 827-5793 Fax (505) 827-5711

ol-ym-bols

July 7, 2000

Marathon Oil Company P.O. Box 2490 Hobbs, New Mexico 88240

Attn:

Mr. Andrew J. Schwandt

Re:

Downhole and Surface Commingling Application

William Lightfoot '20' State Well No. 1 Unit Letter M, Section 20-19S-28E

Wildcat; Wolfcamp and Winchester; Upper Penn West Pools

Eddy County, New Mexico

Dear Mr. Schwandt:

We are in receipt of your application of June 26, 2000, requesting our approval to downhole and surface commingle the production from the above subject well from the Wildcat; Wolfcamp and Winchester; Upper Penn West Pools in Eddy County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

POOL	•	<u>ALLOCAT</u>	ALLOCATION	
	7	<u>Oil%</u>	Gas %	
Wildcat; Wolfcamp		44%	45%	
Winchester; Upper Penn West		56%	55%	
		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.

Also, please submit a copy of the Oil Conservation Division's approval order.

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NORTHWEST OPERATIONS

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148

Marathon Oil Company July 7, 2000 Page 2

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

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NORTHWEST OPERATIONS