



P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

September 3, 1997

Mr. David Catanach
Oil Conservation Department
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501

**RE: Request for Exception to Rule 303-A
Application for Surface Commingling**

Bertha Barber Lease

**Section 5, T-20-S, R-37-E
Monument Blinebry
Lea County, New Mexico**

**Bertha Barber Well No. 16
Unit Letter K, 2140' FSL & 1650' FWL
Section 5, T-20-S, R-37-E
Monument Abo
Lea County, New Mexico**

Dear Mr. Catanach:

Marathon Oil Company respectfully requests administrative approval to permit the surface commingling of production in the above mentioned production.

Marathon Oil Company has a 100% Working Interest in the above mentioned lease. Marathon Oil Company proposes to utilize the Bertha Barber storage and sales facility currently utilized for the Blinebry production. Production from the Bertha Barber Well No. 16 will be separated and metered prior to commingling at the production facility. The proposed production operation is in accordance with the applicable provisions.

Please find attached a lease plat and a production facility schematics. The Blinebry oil production (11 BOPD @ 39.4 API, 0.9 % sulfur) is currently valued at WTS crude price. The Abo oil production (125 BOPD @ 41.0 API, 0.42% sulfur) is valued at WTI crude price. The commingled estimated oil production (136 BOPD @ 40.8 API) is anticipated to be valued at WTI crude price. Therefore, there will not be any loss in value of the commingled production.

If additional information is necessary, please contact me at (505) 393-7106, ext 201.

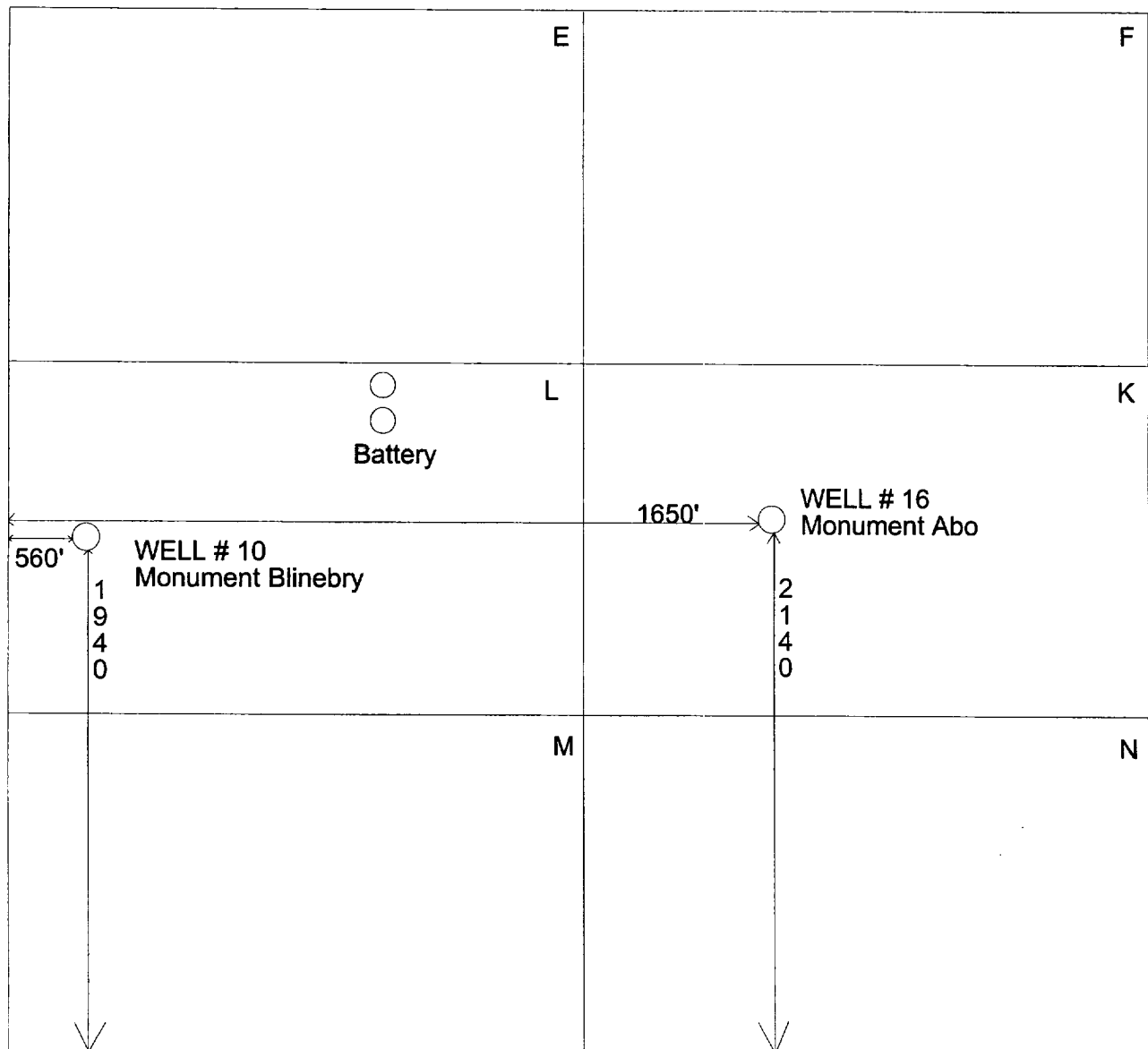
Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

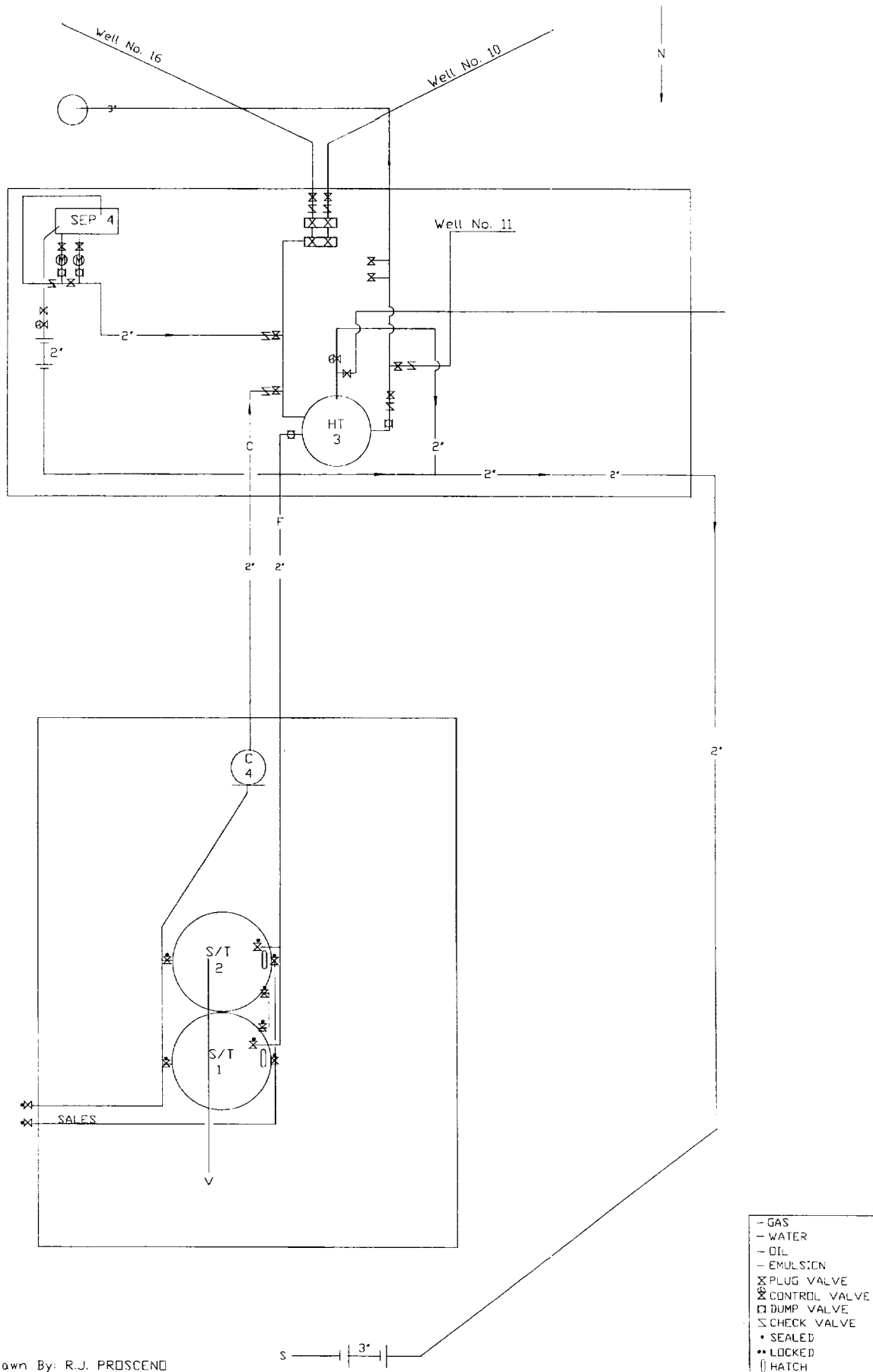
Thomas P. Kacir
Production Engineer

TPK/dbc
Enclosure

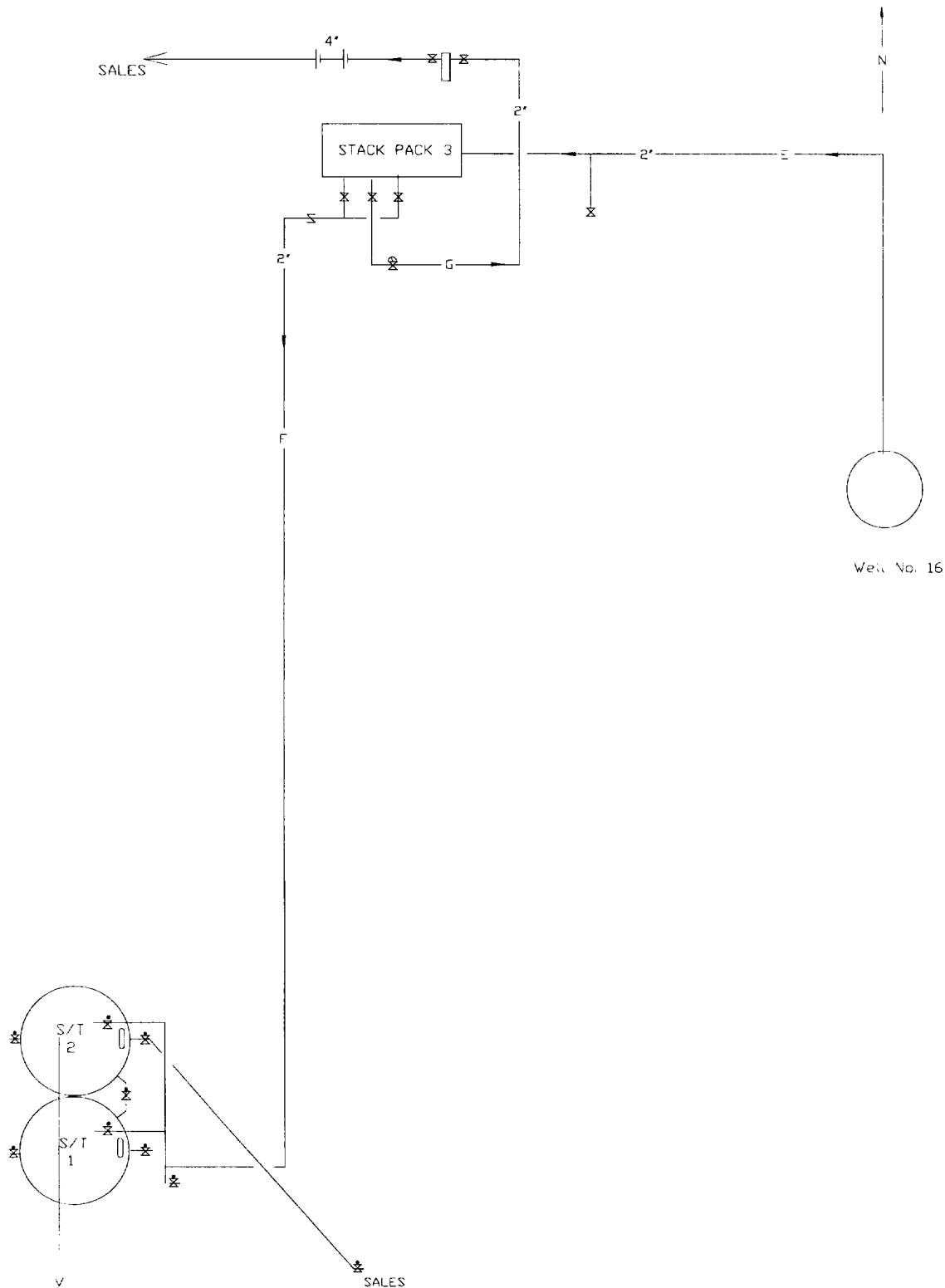
**BERTHA BARBER LEASE
SEC. 5, T-20-S, R-37-E
MONUMENT FIELD
LEA COUNTY, NM**



Production Facility Drawing
 Bertha Barber (South) Battery
 Monument Field, NM
 November 4, 1996
 Revised September 5, 1997



Production Facility Draw
 Bertha Barber Well No. 16 Battery
 Monument Field, NM
 September 5, 1997



Drawn By: J.C. Fought

- GAS
- WATER
- OIL
- EMULSION
X PLUG VALVE
⊗ CONTROL VALVE
□ DUMP VALVE
Σ CHECK VALVE
• SEALED
•• LOCKED
□ HATCH