NEW MEXICO LNERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

AMENDED ADMINISTRATIVE ORDER DHC-1019

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

Attention: Mr. Thomas P. Kacir

Lou Worthan No. 14
API No. 30-025-25255
Unit A, Section 11, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico. 8 1940.
Tubb Oil & Gas (Oil - 60240),
Drinkard (Oil - 19190) and
Wantz-Abo (Oil - 62700) Pools

Dear Mr. Kacir:

Reference is made to your recent application for an amendment to Division Order No. DHC-1019 dated August 2, 1994, which order authorized the downhole commingling of Tubb Oil & Gas, Drinkard and Wantz-Granite Wash Pool production within the wellbore. It is our understanding that the Wantz-Granite Wash Pool will be abandoned and that the Wantz-Abo Pool will be completed as the third commingled zone in the well.

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.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the well are hereby established as follows:

Oil 142 B/D

Water 284 B/D

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 gas 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:

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| Tubb Oil & Gas Pool | Oil-47% | Gas-46% |
|---------------------|---------|---------|
| Drinkard Pool | Oil-0% | Gas-10% |
| Wantz-Abo Pool | Oil-53% | Gas-44% |

REMARKS: The operator shall notify the Hobbs 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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 11th day of May, 1999.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY

Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs