



**Marathon
Oil Company**

P. O. Box 1324
Artesia, New Mexico 88210
Telephone (505) 457-2621

August 4, 1997

State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Case 11829

RE: GAS NOMINATIONS
South Daggar Draw Upper Penn,
Indian Basin Morrow, South Daggar
Draw Morrow and Indian Basin
Upper Penn
Eddy County, New Mexico

Gentlemen:

Transmitted herewith are the Forms C-121-A for the above referenced fields
for the month of October, 1997.

Sincerely,

A handwritten signature in cursive script that reads 'Timothy A. Deines'.

Timothy A. Deines
Operations Superintendent

xc: Len Oswald
File

TAD/dm

**OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505**

**STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT**

PURCHASER'S GAS NOMINATIONS



Company

Address

MARATHON OIL COMPANY

P.O. BOX 552, MIDLAND, TEXAS 79702

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, the above named company herewith submits its nominations for the purchase of gas from the INDIAN BASIN MORROW Pool for the month shown below: (insert in appropriate month)

MONTH	YEAR	NOMINATION, MCF
April		
May		
June		
July		
August		
September		
October	1997	301,475
November		
December		
January		
February		
March		

NOTE: All Volumes are to be MCF at 15.025 psia and 60° F.

Timothy A. Deim

Signature

Operations Supt.

August 4, 1997

Title

Date

INSTRUCTIONS:

This form must be filed with the Santa Fe office of the Division by the first day of the month during which the nominations are to be considered as public hearing.

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

PURCHASER'S GAS NOMINATIONS



Company

Address

MARATHON OIL COMPANY

P.O. BOX 552, MIDLAND, TEXAS 79702

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, the above named company herewith submits its nominations for the purchase of gas from the INDIAN BASIN UPPER PENN pool for the month shown below: (insert in appropriate month)

MONTH	YEAR	NOMINATION, MCF
April		
May		
June		
July		
August		
September		
October	1997	4,499,000
November		
December		
January		
February		
March		

NOTE: All Volumes are to be MCF at 15.025 psia and 60° F.

Timothy A. Davis
Signature

Operations Supt.
Title

August 4, 1997
Date



INSTRUCTIONS:
This form must be filed with the Santa Fe office of the Division by the first day of the month during which the nominations are to be considered as public hearing.

April		
May		
June		
July		
August		
September		
October	1997	113,150
November		

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

PURCHASER'S GAS NOMINATIONS

Company

Address

MARATHON OIL COMPANY P.O. BOX 552, MIDLAND, TEXAS 79702

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, the above named company herewith submits its nominations for the purchase of gas from the SOUTH SOUTH DAGGAR DRAW U. PENN Pool for the month shown below: (insert in appropriate month)

MONTH	YEAR	NOMINATION, MCF
April		
May		
June		
July		
August		
September		
October	1997	2,015,000
November		
December		
January		
February		
March		

NOTE: All Volumes are to be MCF at 15.025 psia and 60^o F.


Signature

Operations Supt.

Title

August 4, 1997

Date

INSTRUCTIONS:

This form must be filed with the Santa Fe office of the Division by the first day of the month during which the nominations are to be considered as public hearing.

August 5, 1997



Prorated Gas Allowables (October 1997 - March 1998)
Indian Basin (Upper Penn) Gas Pool
Eddy County, New Mexico

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Case 118-29

Mr. William J. LeMay
Oil Conservation Commission
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. LeMay:

Chevron U.S.A. Production Company operates 19 producing gas wells in the subject field and has a working interest in 3 non operated properties in the subject pool. Although Chevron does not intend to present testimony at the August 14th hearing, we support the Oil Conservation Division's proposed non-marginal well allowable rate of 200,000 MCF per month as set forth in your preliminary market demand and allowable determination schedule.

Chevron has proactively invested in development opportunities and production equipment to optimize production from the Indian Basin Upper Penn wells. Six of Chevron's 8 interest operated proration units are currently capable of producing at or above the proposed allowable. Our current efforts to continue optimizing proration unit production, further supports the proposed allowable as a continuation of the Commission's rulings during the previous eight proration periods. Based on current well deliverables, an allowable of 200,000 mcf per month will protect the interest and permit equitable sharing of gas produced among the owners in the pool.

Sincerely yours,

A handwritten signature in cursive script that reads "Greg C. Roberts".

Greg C. Roberts
Chevron U.S.A. Production Company

GCR:trk

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