

**BURNS 34 State No. 1  
N/2 Section 34, T-18-S, R-28-E  
Eddy County, New Mexico**

**SUMMARY OF OPERATING AGREEMENT OVERHEAD RATES IN  
T-18-S, R-28-E, N.M.P.M., EDDY COUNTY, NEW MEXICO**

1. **Operating Agreement dated February 6, 1997, Mewbourne Oil Company, Operator, and Marathon Oil Company, et al, Non-Operators, covering S/2 Section 34, T-18-S, R-28-E. Fixed Overhead rates of \$6,000 for drilling wells and \$600 for producing wells. Executed by Marathon on March 27, 1997.**
2. **Operating Agreement dated November 1, 1996, InterCoast Oil and Gas Company, Operator, and Marathon Oil Company, et al, Non-Operators, covering S/2 of Section 21, T-18-S, R-28-E. Fixed Overhead rates of \$5,828 for drilling wells and \$546 for producing wells. Executed by Marathon on February 19, 1997.**
3. **Operating Agreement dated July 1, 1997, Marathon Oil Company, Operator, and Yates Petroleum Corporation, Non-Operator, covering W/2 Section 27, T-18-S, R-28-E, N.M.P.M. Fixed overhead rates of \$5400 for drilling wells and \$540 for producing wells. Executed by Yates Petroleum on July 18, 1997.**

**BEFORE THE  
OIL CONSERVATION COMMISSION**  
Case No. 11909 Exhibit No. *6*  
Submitted By:  
**Marathon Oil Company**  
Hearing Date: January 22, 1998

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**Summary of Contacts with Working Interest Owners to be Pooled:**

**Enron - Contact: Mr. Patrick Tower**

11/6/97	Enron received well proposal.
11/20/97	Enron received Operating Agreement.
11/21/97	Pat says Enron will go non-consent under the pooling order.
12/22/97	Pat says they will pre-agree to go non-consent if we will give Enron well data.
1/6/98	Work out details of non-consent agreement
1/15/98	Send non-consent agreement to Enron
1/23/98	Pat says letter looks OK to him. He has sent to Legal Department for approval.
2/2/98	Received signed letter from Enron.

**BEFORE THE  
OIL CONSERVATION COMMISSION**  
Case No. 11909 Exhibit No. 7  
Submitted By:  
**Marathon Oil Company**  
Hearing Date: January 22, 1998