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February 3, 1998

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JASON KELLAHIN (RETIRED 1991)

VIA FACSIMILE

Mr. Michael E. Stogner
Mr. David R. Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: NMOCD Case 11908 (Burns 34 State Well No 1.)
Marathon Oil Company's application for compulsory pooling
Eddy County, New Mexico

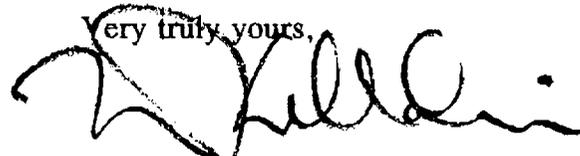
Gentlemen:

At the Division hearing held by Examiner Stogner on January 22, 1998, I requested that this case be continued to the February 5, 1998 docket. At that time Marathon had verbal commitments for a voluntary agreement from Louis Dreyfus, KCS Medallion and Enron. It was our expectation that written confirmation would be obtained and this case could be dismissed. Mr. Stogner reluctantly granted my request but advised that he preferred cases docketed for hearing before him should be continued to his next docket. He asked that I keep the Division informed about the status of this case.

Louis Dreyfus and KCS Medallion and agreed to farmout, sell or trade. However, Enron has elected to go "non-consent" under a Division pooling order which makes it necessary for Marathon to present an uncontested pooling case.

In order for Marathon to maintain its rig schedule, we would appreciate the opportunity to present this uncontested case to Examiner Catanach on February 5, 1998.

Very truly yours,



W. Thomas Kellahin

cfx: Marathon Oil Company