

Mid-Continent Region
Production United States



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1826

April 6, 2000

Conoco Inc.
Suite 639W
10 Desta Drive East
Midland, TX 79705

Via Fax 686-5514

Attention: Mr. Jeff Underwood

Re: Gas Purchase Contract
Scanlon Draw 34-1
Guerrero 34-1
Sec 34 T18S-R28E
Eddy County, NM

Dear Jeff,

Pursuant to our conversation, I wish to cancel the agreement with regard to the subject wells due to the fact that the flow from the wells is incapable of keeping a compressor running. We plan on flowing the wells to Arco's low pressure system (~15 psi) and hope we can make enough volume to at least hold the leases.

Thanks for your help in this matter. I will keep you in mind for our future wells.

Sincerely,

A handwritten signature in black ink, appearing to read 'David S. Googins III'.

David S. Googins III
Sr. Property Development Rep

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12419 Exhibit No. — 4
Submitted By:
Marathon Oil Company
Hearing Date: June 29, 2000

Fund 4/6/00