

Wrottenbery, Lori

From: Dueease Jr, Walter J. [WJDueease@MarathonOil.com]

Sent: Monday, July 08, 2002 8:49 AM

To: wrottenbery@state.nm.us

Subject: Repeal of Rule 402

Lori,

Marathon Oil Company wholeheartedly supports the total repeal of Rule 402 which would result in the elimination of the requirement to perform annual shut-in pressure tests during the months of July, August and September. While the current rule allows for operators to request an exemption to the annual test, we believe that the data is not fully utilized by the industry and the NMOCD and we would question the need for this requirement as compared to the expense of the test and the loss of production associated with performing the test. The duration of the test is so short that it provides only one data point and is not truly representative of reservoir pressure. In many cases multiple zones are completed in a well making a P/Z analysis difficult.

Please consider our position on this matter during the meeting today to address the repeal or revision of Rule 402. 402.

Thanks,

Walter Dueease

7/15/2002