



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

June 22, 1998

Working and Royalty Interest Owners
(Mailing list attached)

(Certified Return Receipt Requested)

Re: Amendment of Off-Lease Storage, Measurement, Sales and Commingling Agreement

Leases Previously Approved:

N. Indian Basin Unit (NM-0487-B, NM-05608, NM -5551, NM-05551-B,
NM-SW-242, and State Leases E-7906 and E-10170, including Com SW-242)
Comanche Federal Lease (NM-04827-B, NM-34623, and NM-0384623, including
Com SW-242)
Bone Flats Federal Lease (NM-05608, NM-81677, and NM-05551-A)
MOC Federal Lease (NM-04827-B)
Stinking Draw Lease (State Leases K-1877 and E-10169-1)

Proposed Additions to Agreement

Indian Hills State Com Lease (State Lease E-10083)
Sections 1, 2, 3, 10, 11, and 12 of T-21-S, R-23-E, Section 36 of T-20½-S, R-23-E, and Section 36 of T-20-S,
R-24-E, Eddy County, New Mexico

Gentlemen:

Marathon Oil Company is proposing that the previously approved Off-lease Storage, Measurement, Sales, and Commingling agreement, which included the leases shown above, be amended to include Section 36 of T-20-S, R-24-E of Eddy County, New Mexico. All production will be measured prior to commingling. Our records indicate that you are an interest owner in one of the subject leases and, as such, pursuant to NMOCD rules and regulations, are required to provide your consent to the proposed commingling of production from these leases. Marathon believes that the commingling of production will result in economies of scale that will lower operating costs and benefit all interest owners. A detailed explanation of the proposed operation is attached.

Please indicate your approval by signing in the space below and returning one copy of this letter to this office in the enclosed envelope. The second copy is for your files. Your prompt attention to this matter will be greatly appreciated.

Sincerely,


A. B. Schoffman
Indian Basin Asset Team Manager

ABS/vil/wperfect/ihsccomm/wiltr.wpd
Attachments

Approved this ____ day of _____, 1998

Printed Name: _____
Title: _____
Company Name: _____

Phillips Petroleum
4001 Penbrook
Odessa, Texas 79762

Robert E. Chambers Estate
Robert E. Chambers, Jr. Executor
2413 Clayton
Wichita Falls, TX 76308-3904

Alice Ann Hanks
C/O Melburn Nutt
P. O. Box 9087
Wichita Falls, TX 76308-9087

W. T. Probandt
415 W. Wall, Suite 1608
Midland, TX 79701-4417

Lollie D. Chambers
2413 Clayton
Wichita Falls, TX 76308-3904

Aviara Energy Corporation
P. O. Box 1350
Houston, Texas 77251-1350

Sabine Royalty Trust
Nations Bank of Texas
Department 0887
Dallas, TX 75284-0887

The Hill Foundation
Wells Fargo Bank Colorado NA
Trust Natural Resources
P. O. Box 5825
Denver, CO 80217-5825

First Century Oil, Inc.
P. O. Box 1518
Roswell, NM 88202-1518

Hugh E. Hanagan
P. O. Box 329
Roswell, NM 88202-0329

Wallace & Vergine Gates Family Trust
Robert B. & Nada S. Gates, Trustees
4943 Rustic Trail
Midland, TX 79707-1420

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Midland, TX 79707-1420

Helen Gates Maxwell
218 Aldersgate Circle, Givens Estates
Asheville, NM 28803-2044

Virginia Gates Irish
7450 Olivetos Ave., Apt. 154
La Jolla, CA 92037-4902

Sara S. Jones
1203 Vernon Road
Ardmore, OK 73401-3653

C. John McIntyre
732 Cloyden Road
Palos Verdes Estates, CA 90274-1833

Ann H. Stromberg
274 San Luis Place
Claremont, CA 91711-1746

Sarann Company
P. O. Box 2208
Ardmore, OK 73402-2208

Westway Petroleum
500 N. Akard Street, Lock Box 70
Dallas, TX 75201-3320

T. C. & June B. Stromberg Trust
T. C. & June B. Stromberg, Trustees
P. O. Box 2208
Ardmore, OK 73402-2208

Jon Stromberg
7300 NW Expressway, Suite 133
Oklahoma City, OK 73132-1545

Mary Adele Stromberg Perry
72 Delmore
Hillsboro, TX 76645-2357

Hanagan Properties
P. O. Box 1887
Santa Fe, NM 87504-1887

Wheatley Trust Agency
First National Bank of Artesia, Agent
P. O. Drawer AA
Artesia, NM 88211-7526

John W. & Jean M. Gates Rev. Trust
706 West Grand
Artesia, NM 88210-1935

William H. Stromberg Trust
William H. Stromberg, Trustee
P. O. Box 1412
Ardmore, OK 73402-1412

Mary Love Stromberg Trust
Mary Love Stromberg, Trustee
P. O. Box 1412
Ardmore, OK 73402-1412

Robert L. & Jacqueline R. Bergman Rev. Trust
2515 Gaye Drive
Roswell, NM 88201-3424

Karen K. Stark Barton
2628 SW 45th Street
Oklahoma City, OK 73119-4611

Mary Lou Gibbs
4115 E. Zion
Tulsa, OK 74115-3232

Edith Bivins
515 6th Avenue, N.
Caldwell, ID 83605-2962

Mary Jane Stark Henderson
347 Hillside Circle
Burleson, TX 76028-5225

David L. Stark
303 Balsam
Lake Jackson, TX 77566-6121

Jack D. Stark
RR 1, Box 15A
Fitzhugh, OK 74843-9705

L. M. Stark
305 Frontera
Borger, TX 79007-8076

Michael Ray Stark
10805 Highway 253
Fort Smith, AR 72916-4115

W. B. Stark
Rt. 5, Box 328
Bartlesville, OK 74003-9307

Deborah Ann Stark Wortham
RR 3, Box 531
Tuttle, OK 73089-9558

Tessa Nicole Stark
Jerry D. Stark, Custodian
906 S. Keeler
Bartlesville, OK 74003-4743

William Douglass McCoy
19002 Redriver Pass
San Antonio, TX 78259-3514

Michael Francis McCoy
P. O. Box 104
Golden Meadow, LA 70357-0104

Laura Ann McCoy Lindsey
512 Nootka Rd.
Dexter, NM 88230-9613

Brian Patrick McCoy
1708 Meadow Crest Lane
Mansfield, TX 76063-2941

Kerr Trust MBTO
J. G. Kerr, Jr., Trustee
P. O. Box 1554
Allen, TX 75013-0026

Mildred Mae Parker Olson Estate
Jimmie L. Olson, Representative
2702 56th Street
Lubbock, TX 79413

Pioneer Natural Resources USA, Inc.
P. O. Box 840835
Dallas, TX 75284-0835

Bryan Bell Family Ltd. Partnership #1
1331 Third Street
New Orleans, LA 70130-5743

Yates Petroleum
P. O. Box 1395
Artesia, NM 88211-1395

Abo Petroleum Corp.
105 S. 4th Street
Artesia, NM 88210-2177

Myco Industries, Inc.
P. O. Box 840
Artesia, NM 88211-0840

Yates Drilling Co.
105 S. 4th Street
Artesia, NM 88210-2177