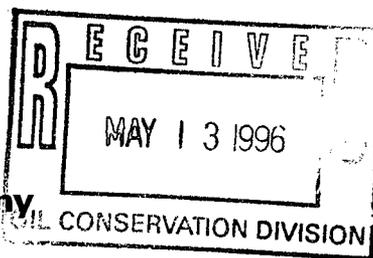




**Marathon
Oil Company**



Mid-Continent Region
Production United States

P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

May 8, 1996

Application for Non-Standard Proration Unit
Eumont (Yates, 7R, Queen) Pool
McDonald State A/C 2 Well No. 35
Unit Letter E, 1980' FNL & 660' FWL
Section 13, T-22-S, R-36-E
Lea County, New Mexico

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. Lemay

Gentlemen:

Marathon Oil Company respectfully request administrative approval for a non-standard proration unit consisting of 160 acres for the Eumont(Yates, 7R, Queen) Pool within the McDonald State A/C 2 Well No. 35. Attached is a C-102 showing the requested proration unit and well location.

If you have any questions or have need of additional information, please contact myself at (505) 393-7106, ext 201.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Rick Gaddis'.

Rick Gaddis
Advanced Production Engineer

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

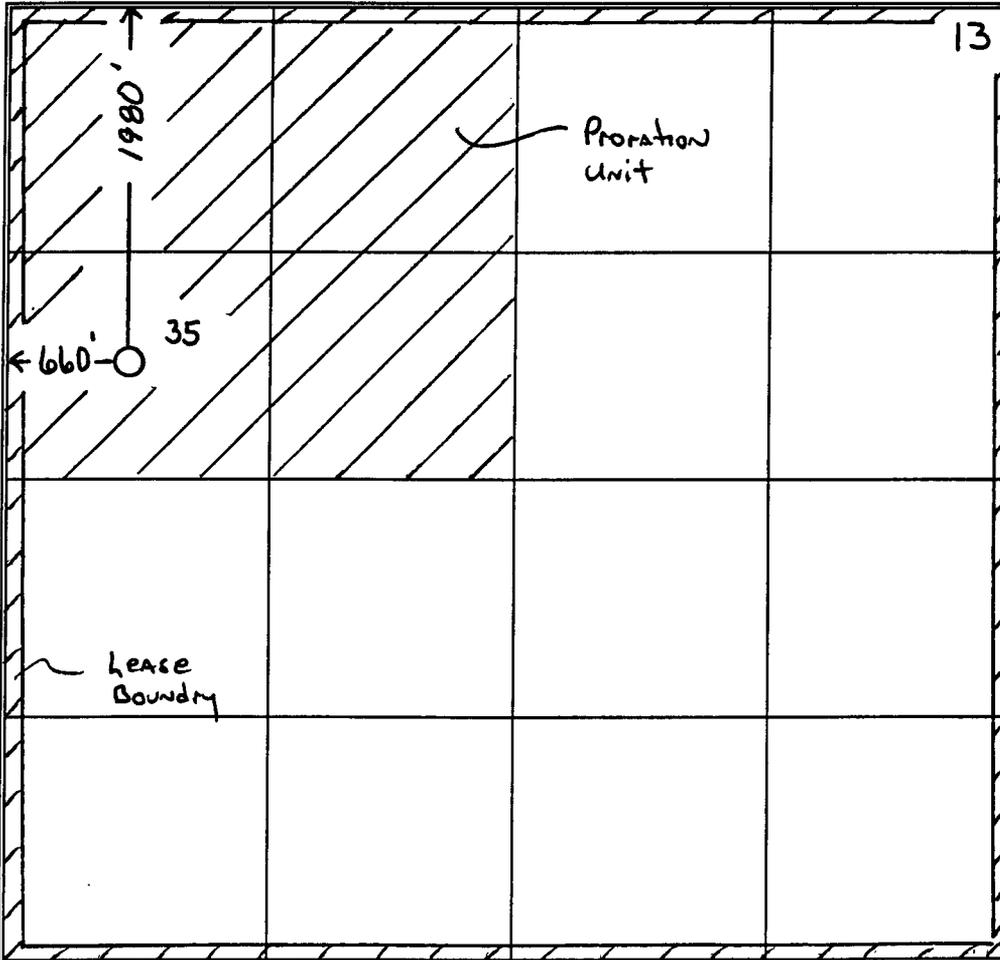
¹ API Number 30-025-33397		² Pool Code 76480		³ Pool Name Eumont (Yates, 7R, Queen)	
⁴ Property Code 6436		⁵ Property Name McDonald State A/C 2			⁶ Well Number 35
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3497'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
E	13	22-S	36-E		1980	North	660	West	Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill N	¹⁴ Consolidation Code NA	¹⁵ Order No. NA
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Rick Gaddis

Signature
 Rick Gaddis
 Printed Name
 Advanced Production Engineer
 Title
 May 7, 1996
 Date

¹⁸ SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

 Date of Survey

 Signature and Seal of Professional Surveyer:

 Certificate Number

MARATHON OIL COMPANY
McDonald State A/C 2 Well No. 35

Application for Unorthodox Location
McDonald State A/C 2 Well No. 35
Eumont(Yates, 7R, Queen) Pool
Section 13, T-22-S, R-36-E
Lea County, New Mexico

OFFSET OPERATORS

Amerada Hess Corporation
1201 Louisiana, Ste 700
Houston, Texas 77002

Section 18, T-22-S, R-37-E

Arco Permian
P.O. Box 1610
Midland, Texas 79702

Section 12, T-22-S, R-36-E

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

Section 12, T-22-S, R-36-E
Section 7, T-22-S, R-37-E
Section 18, T-22-S, R-37-E

Dallas McCasland
P.O. Box 755
Hobbs, New Mexico 88241-0755

Section 7, T-22-S, R-37-E

Meridian Oil Incorporated
P.O. Box 51810
Midland, Texas 79710

Section 7, T-22-S, R-37-E

Mid-Continent Region
Production United States



P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

May 8, 1996

Offset Operators
(See attached List)

Administrative Application for Unorthodox Proration Unit
McDonald State A/C 2 Well No. 35
Unit Letter E, 1980' FNL & 660' FEL
Section 13, T-22-S, R-36-E
Eumont(Yates, 7R, Queen) Pool
Lea County, New Mexico

Gentlemen:

Attached is a copy of Marathon's Oil Company administrative application for NMOCD approval for an unorthodox proration unit for the McDonald State A/C 2 Well No. 35 in the Eumont(Yates, 7R, Queen) Pool for a 160 acre proration unit.

As an offset operator, if you do not have any objections to the attached application, please sign the enclosed waivers and mail the original and two copies to the NMOCD in Santa Fe and one copy to the NMOCD in Hobbs. We would also request that you send a copy to Marathon Oil Company in Hobbs. We have enclosed a self addressed, stamped envelope for your convenience.

If you have any questions please contact Rick Gaddis at 505/393-7106 ext 201. Your prompt consideration in the above matter is appreciated.

Sincerely,

Rick Gaddis
Advanced Production Engineer

**MARATHON OIL COMPANY
MCDONALD STATE A/C 2 LEASE**

Application for Unorthodox Proration Unit
McDonald State A/C 2 Well No. 35
Eumont(Yates, 7R, Queen) Pool
Section 13 , T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Marathon Oil Company's application for NMOCD approval of an Unorthodox Proration Unit for the McDonald State A/C 2 Well No. 35 in the Eumont(Yates, 7R, Queen) Pool located in Unit Letter E, Section 13, T-22-S, R-36-E of Lea County, New Mexico.

Company: _____

Representative: _____

Signature: _____

Title: _____

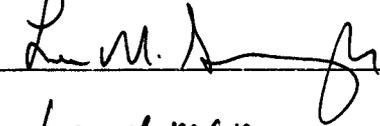
Date: _____

**MARATHON OIL COMPANY
MCDONALD STATE A/C 2 LEASE**

Application for Unorthodox Proration Unit
McDonald State A/C 2 Well No. 26
Eumont(Yates, 7R, Queen) Pool
Section 13 , T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Marathon Oil Company's application for NMOCD approval of an Unorthodox Proration Unit for the McDonald State A/C 2 Well No. 26 in the Eumont(Yates, 7R, Queen) Pool located in Unit Letter J, Section 13, T-22-S, R-36-E of Lea County, New Mexico.

Company: ATLANTIC RICHFIELD COMPANY
Representative: Lee M. Scarborough
Signature: 
Title: Land man
Date: 5/30/96

**MARATHON OIL COMPANY
MCDONALD STATE A/C 2 LEASE**

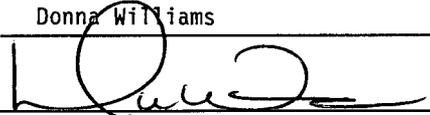
Application for Unorthodox Proration Unit
McDonald State A/C 2 Well No. 35
Eumont(Yates, 7R, Queen) Pool
Section 13 , T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Marathon Oil Company's application for NMOCD approval of an Unorthodox Proration Unit for the McDonald State A/C 2 Well No. 35 in the Eumont(Yates, 7R, Queen) Pool located in Unit Letter E, Section 13, T-22-S, R-36-E of Lea County, New Mexico.

Company: Meridian Oil Inc.

Representative: Donna Williams

Signature: 

Title: Regulatory Compliance

Date: 5/30/96



**Marathon
Oil Company**

P.O. Box 2409
Hobbs, NM 88241-2409
Telephone 505/393-7106

RECEIVED
MAY 13 1996

May 13, 1996

Application for Non-Standard Proration Unit
Eumont (Yates, 7R, Queen) Pool
McDonald State A/C 2 Well No. 26
Unit Letter J, 1980' FSL & 1980' FEL
Section 13, T-22-S, R-36-E
Lea County, New Mexico

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. Lemay

Gentlemen:

Marathon Oil Company respectfully request administrative approval for a non-standard proration unit consisting of 120 acres for the Eumont(Yates, 7R, Queen) Pool within the McDonald State A/C 2 Well No. 26. Attached is a C-102 showing the requested proration unit and well location.

If you have any questions or have need of additional information, please contact myself at (505) 393-7106, ext 201.

Sincerely,

A handwritten signature in cursive script that reads "Rick Gaddis".

Rick Gaddis
Advanced Production Engineer

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-08909		² Pool Code 76480		³ Pool Name Eumont (Yates, 7R, Queen)	
⁴ Property Code 6436		⁵ Property Name McDonald State A/C 2			⁶ Well Number 26
⁷ OGRID No. 14021		⁸ Operator Name Marathon Oil Company			⁹ Elevation 3468'

¹⁰ Surface Location

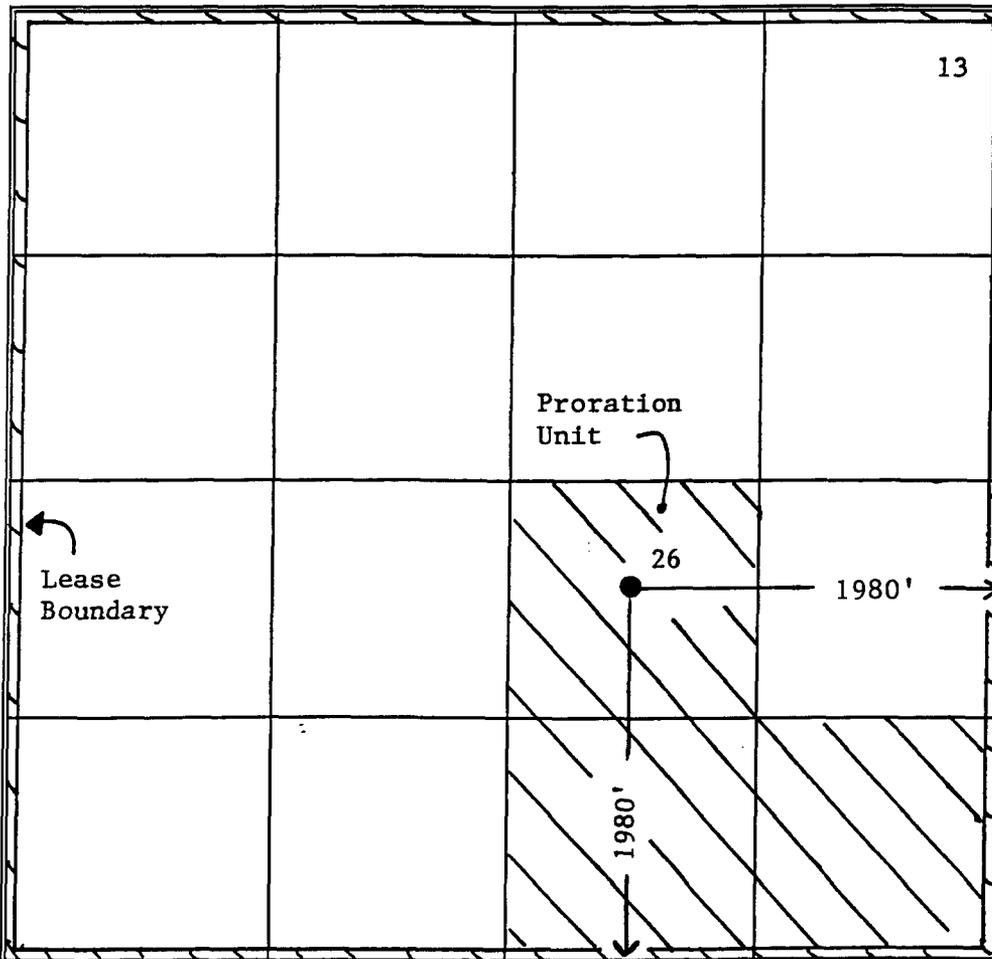
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
J	13	22-S	36-E		1980	South	1980	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Dedicated Acres 120	¹³ Joint or Infill N	¹⁴ Consolidation Code NA	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Rick Gaddis

Signature

Rick Gaddis

Printed Name

Advanced Production Engineer

Title

May 13, 1996

Date

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

MARATHON OIL COMPANY
McDonald State A/C 2 Well No. 26

Application for Unorthodox Location
McDonald State A/C 2 Well No. 26
Eumont(Yates, 7R, Queen) Pool
Section 13, T-22-S, R-36-E
Lea County, New Mexico

OFFSET OPERATORS

Amerada Hess Corporation
1201 Louisiana, Ste 700
Houston, Texas 77002

Section 18, T-22-S, R-37-E

Arco Permian
P.O. Box 1610
Midland, Texas 79702

Section 12, T-22-S, R-36-E

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

Section 12, T-22-S, R-36-E
Section 7, T-22-S, R-37-E
Section 18, T-22-S, R-37-E

Dallas McCasland
P.O. Box 755
Hobbs, New Mexico 88241-0755

Section 7, T-22-S, R-37-E

Meridian Oil Incorporated
P.O. Box 51810
Midland, Texas 79710

Section 7, T-22-S, R-37-E

May 13, 1996

Offset Operators
(See attached List)

Administrative Application for Unorthodox Proration Unit
McDonald State A/C 2 Well No. 26
Unit Letter J, 1980' FSL & 1980' FEL
Section 13, T-22-S, R-36-E
Eumont(Yates, 7R, Queen) Pool
Lea County, New Mexico

Gentlemen:

Attached is a copy of Marathon's Oil Company administrative application for NMOCD approval for an unorthodox proration unit for the McDonald State A/C 2 Well No. 26 in the Eumont(Yates, 7R, Queen) Pool for a 120 acre proration unit.

As an offset operator, if you do not have any objections to the attached application, please sign the enclosed waivers and mail the original and two copies to the NMOCD in Santa Fe and one copy to the NMOCD in Hobbs. We would also request that you send a copy to Marathon Oil Company in Hobbs. We have enclosed a self addressed, stamped envelope for your convenience.

If you have any questions please contact Rick Gaddis at 505/393-7106 ext 201. Your prompt consideration in the above matter is appreciated.

Sincerely,

Rick Gaddis
Advanced Production Engineer

**MARATHON OIL COMPANY
MCDONALD STATE A/C 2 LEASE**

Application for Unorthodox Proration Unit
McDonald State A/C 2 Well No. 26
Eumont(Yates, 7R, Queen) Pool
Section 13 , T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Marathon Oil Company's application for NMOCD approval of an Unorthodox Proration Unit for the McDonald State A/C 2 Well No. 26 in the Eumont(Yates, 7R, Queen) Pool located in Unit Letter J, Section 13, T-22-S, R-36-E of Lea County, New Mexico.

Company: _____

Representative: _____

Signature: _____

Title: _____

Date: _____