

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

January 5, 1988

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Administrative Application of
Marathon Oil Company for approval
of Directional Drilling
Indian Basin Field
Eddy County, New Mexico

RECEIVED
RECEIVED

JAN 5 1988
JAN 5 1988

OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION

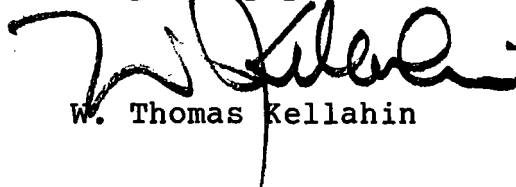
Dear Mr. LeMay:

On December 14, 1987, and in accordance with Rule 111, we filed with your office an administrative application for the directional drilling of Marathon's well to be located at an unorthodox surface location 560 feet from the South line and 1550 feet from the West line of Section 20, T21S, R24E, Indian Basin Morrow Gas Pool.

Please find enclosed copies of the four return receipt cards showing delivery of notice to all adjoining offset operators. Also enclosed are copies of signed waivers by all offset operators with the exception of Union of California which has advised us that they no longer have an interest in the Morrow rights in Section 18.

In the absence of objection, the twenty day notice period will expire at 5:00 P.M. on January 4, 1988.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Lawrence Garcia, Esq.
Steve Daniels

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Kerr-McGee P. O. Box 250 Amarillo, Texas 79189	4. Article Number P-484 052 541 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Snell Spauld</i>	
7. Date of Delivery DEC 21	

PS Form 3811, Feb. 1986 Marathon- Case 9276 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Union Oil of California P. O. Box 671 Midland, Texas 79701	4. Article Number P-484 052 544 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Betty Wilk</i>	
7. Date of Delivery 12-28-87	

PS Form 3811, Feb. 1986 Marathon - Case 9276 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Penroc Oil Corporation P. O. Box 5315 Hobbs, New Mexico 88241	4. Article Number P-484 052 542 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature - Addressee X <i>W. Hopkins</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 12-16-87	

PS Form 3811, Feb. 1986 Marathon- Case 9276 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to: Barbara Fasken 303 W. Wall, Suite 1901 Midland, Texas 79701-5116	4. Article Number P-484 052 543 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid) Same
6. Signature - Agent X <i>W. Hopkins</i>	
7. Date of Delivery 12-18-87	

PS Form 3811, Feb. 1986 Marathon - Case 9276 DOMESTIC RETURN RECEIPT

BARBARA FASKEN
FASKEN OIL AND RANCH INTERESTS
303 WEST WALL AVENUE, SUITE 1900
MIDLAND, TEXAS 79701-5116
(915) 687-1777

December 16, 1987

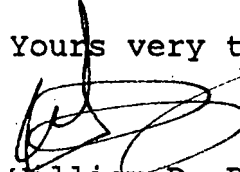
W. Thomas Kellahin
P. O. Box 2265
Santa Fe, NM 87504-2265

Re: Unorthodox Location
Indian Basin Field
Sec. 20, T-21-S, R-34-E,
Eddy County, New Mexico

Dear Mr. Kellahin:

I am in receipt of your letter dated November 23, 1987, whereby you notify Barbara Fasken of the hearing to be held on Marathon's request for unorthodox location on December 16, 1987. Please be advised that Barbara Fasken has no objection to the unorthodox location proposed.

Yours very truly,



William D. Patterson
General Counsel/Land Manager

WDP:dvg

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

December 14, 1987

RECEIVED

DEC 15 1987

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Administrative Application of
Marathon Oil Company for Approval
of Directional Drilling
Indian Basin Field
Eddy County, New Mexico

Dear Mr. LeMay:

On behalf of Marathon Oil Company we have filed a request for approval of an unorthodox well location which has been set for an examiner's hearing on December 16, 1987, as Division Case 9276.

We desire to amend that application and pursuant to Division Rule 111, seek administrative authority to use the same unorthodox surface location, 560 feet from the South line and 1550 feet from the West line of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, and to drill, vertically to a kick off point of approximately 4900 feet and then directionally to a total measured depth of 9150 feet (9000 feet true vertical depth) so that the bottom hole location at that depth is at either a standard location 1650 feet from the West and South lines of said Section 20 or only unorthodox to the extent that the bottomhole location is no closer than 1600 feet to the West and South lines of Section 20.

The acreage dedication for this pool is 640 acres and Marathon Oil Company proposes to dedicate all of Section 20 to the well.

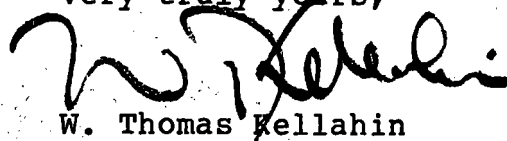
By copy of this letter to all offset operators we are seeking waivers. The offset operators are listed on Exhibit "A", with Kerr-McGee and Penroc being the offset operators closest to the surface location.

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
December 14, 1987
Page 2

Exhibit "B" is a copy of the plat showing the surface and bottom hole location. Exhibit "C" is a copy of the surface location and topography. The surface location is required by the Bureau of Land Management for topographical reasons.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

The undersigned on behalf of the named offset operator hereby consents to and waives any objection to the application as set forth above.

(Name)

(Operator)

(Date)

EXHIBIT "A"

LIST OF OFFSET OPERATORS

INDIAN BASIN FIELD

Union Oil of California
P. O. Box 671
Midland, Texas 79701

Barbara Fasken
303 W. Wall, Suite 1901
Midland, Texas 79701-5116

Penroc Oil Corporation
P. O. Box 5315
Hobbs, New Mexico 88241

Kerr-McGee
P. O. Box 250
Amarillo, Texas 79189

Union Oil of Calif.

18

EXHIBIT "B"
Barbara Fasken

17

Barbara Fasken

1

$\frac{414}{25.6}$ • 7

$\frac{568}{34.9}$ • 6

Indian Hills Unit Gas Com

Indian Hills

Penroc Oil Corporation 19

Marathon 20

Marathon 2

$\frac{18}{35.9}$ • 1

50' RADIUS
TARGET
1650 X 1650
Bottom
Hole

1550
560
SURFACE
Proposed Location
Indian Hills Unit

Indian Federal Gas Com

Indian Hills Unit

Kerr McGee 1700' 30

Marathon 29

Marathon 28

$\frac{1946}{4.3}$ • 2
SURFACE 1350'

$\frac{0}{8.0}$ • 1

Martha Creek Gas Com

Indian Hills Unit Gas Com

Indian Hills Unit

Flag-Redfern 31

$\frac{0}{32.7}$ • 1

Winston Gas Com



PRODUCTION, U.S.
MID-CONTINENT REGION

INDIAN BASIN FIELD
Eddy County, New Mexico
T21S - R24E
Morrow Wells

Present Prod. (MCFPD)
Cum Prod. (BCF)

0'

FEET

EXHIBIT "B"

MARTHA CREEK QUADRANGLE

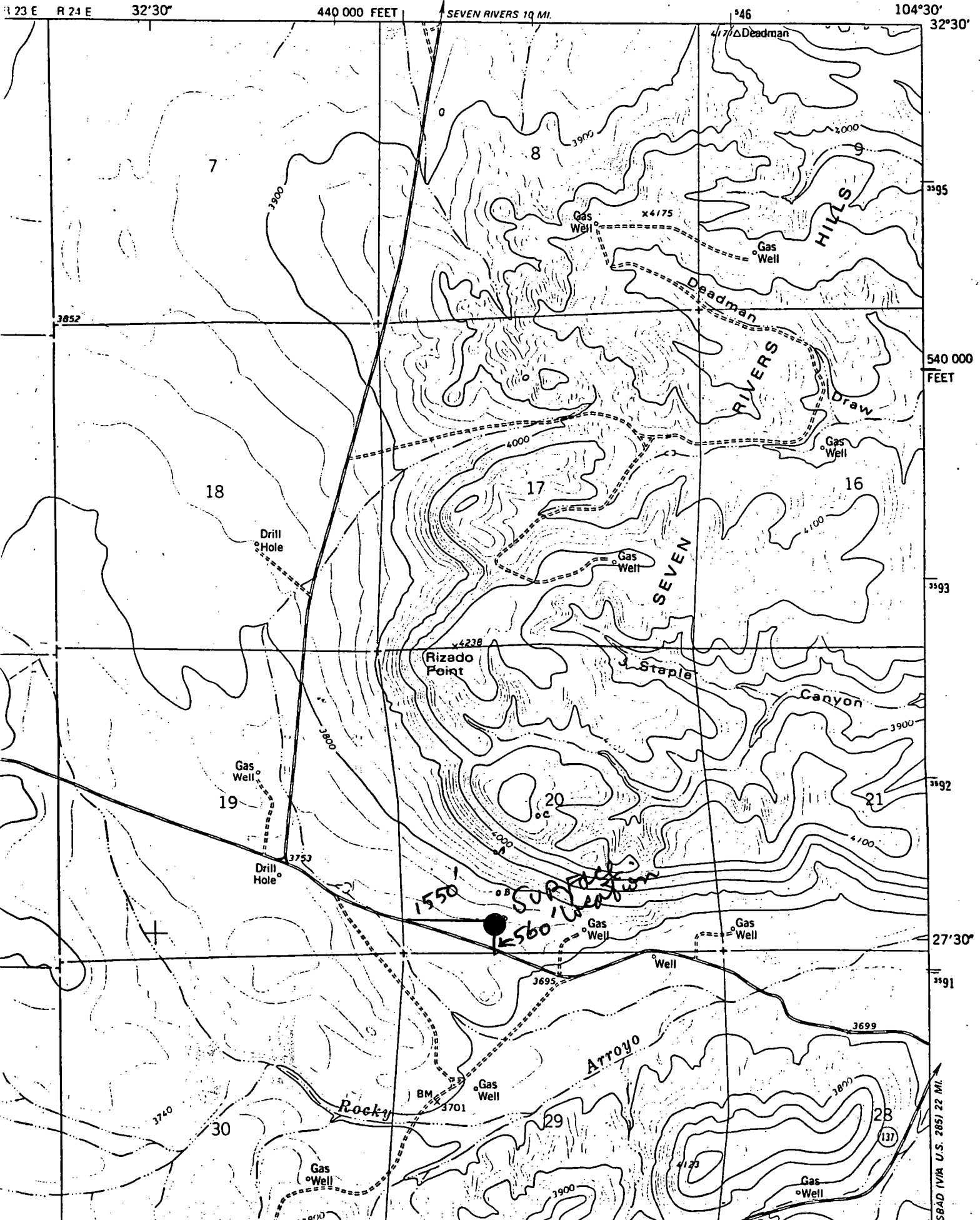
EXHIBIT "C"

NEW MEXICO—EDDY CO.

7.5 MINUTE SERIES (TOPOGRAPHIC)

NE 1/4 BANDANNA POINT 15' QUADRANGLE

5149 M.S.V.
(SEVEN RIVERS)



KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

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Santa Fe, New Mexico 87504-2265

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Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

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Indian Basin Field
Eddy County, New Mexico

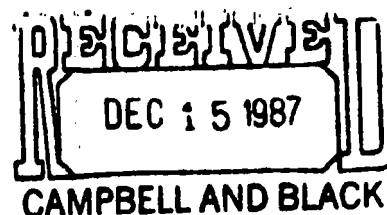
Dear Mr. LeMay:

On behalf of Marathon Oil Company we have filed a request for approval of an unorthodox well location which has been set for an examiner's hearing on December 16, 1987, as Division Case 9276.

We desire to amend that application and pursuant to Division Rule 111, seek administrative authority to use the same unorthodox surface location, 560 feet from the South line and 1550 feet from the West line of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, and to drill, vertically to a kick off point of approximately 4900 feet and then directionally to a total measured depth of 9150 feet (9000 feet true vertical depth) so that the bottom hole location at that depth is at either a standard location 1650 feet from the West and South lines of said Section 20 or only unorthodox to the extent that the bottomhole location is no closer than 1600 feet to the West and South lines of Section 20.

The acreage dedication for this pool is 640 acres and Marathon Oil Company proposes to dedicate all of Section 20 to the well.

By copy of this letter to all offset operators we are seeking waivers. The offset operators are listed on Exhibit "A", with Kerr-McGee and Penroc being the offset operators closest to the surface location.

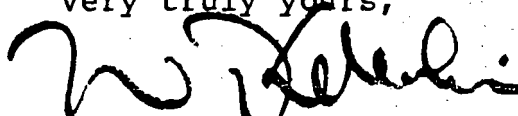


KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
December 14, 1987
Page 2


Exhibit "B" is a copy of the plat showing the surface and bottom hole location. Exhibit "C" is a copy of the surface location and topography. The surface location is required by the Bureau of Land Management for topographical reasons.

Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

The undersigned on behalf of the named offset operator hereby consents to and waives any objection to the application as set forth above.



PETER N. (Name) IVES
KERR - MCGEE

(Operator)
12/15/87

(Date)

EXHIBIT "A"

LIST OF OFFSET OPERATORS

INDIAN BASIN FIELD

Union Oil of California
P. O. Box 671
Midland, Texas 79701

Barbara Fasken
303 W. Wall, Suite 1901
Midland, Texas 79701-5116

Penroc Oil Corporation
P. O. Box 5315
Hobbs, New Mexico 88241

Kerr-McGee
P. O. Box 250
Amarillo, Texas 79189

Union Oil of Calif.

18

EXHIBIT "B"

Barbara Fasken

17

Barbara Fasken

$\frac{414}{25.6}$

• 7

$\frac{568}{34.9}$

• 6

Indian Hills Unit Gas Com

Indian Hills

Penroc Oil Corporation 19

Marathon

20

Marathon

$\frac{18}{35.9}$

• 1

50' RADIUS TARGET
1650 X 1650
BOTTOM
Hole

1550

SURFACE
Proposed Location

Indian Hills Unit

• 1

Indian Hills Unit

Kerr McGee

1700' 30

Marathon

29

Marathon

2

$\frac{1946}{4.3}$

SURFACE 1350'

$\frac{0}{8.0}$

• 1

Martha Creek Gas Com

Indian Hills Unit Gas Com

Indian Hills Unit

Flag-Redfern

31



PRODUCTION, U.S.
MID-CONTINENT REGION

INDIAN BASIN FIELD

Eddy County, New Mexico

T21S - R24E

Morrow Wells

Present Prod. (MCFPD)
Cum Prod. (BCF)



FEET

$\frac{0}{32.7}$

• 1

Winston Gas Com

EXHIBIT "B"

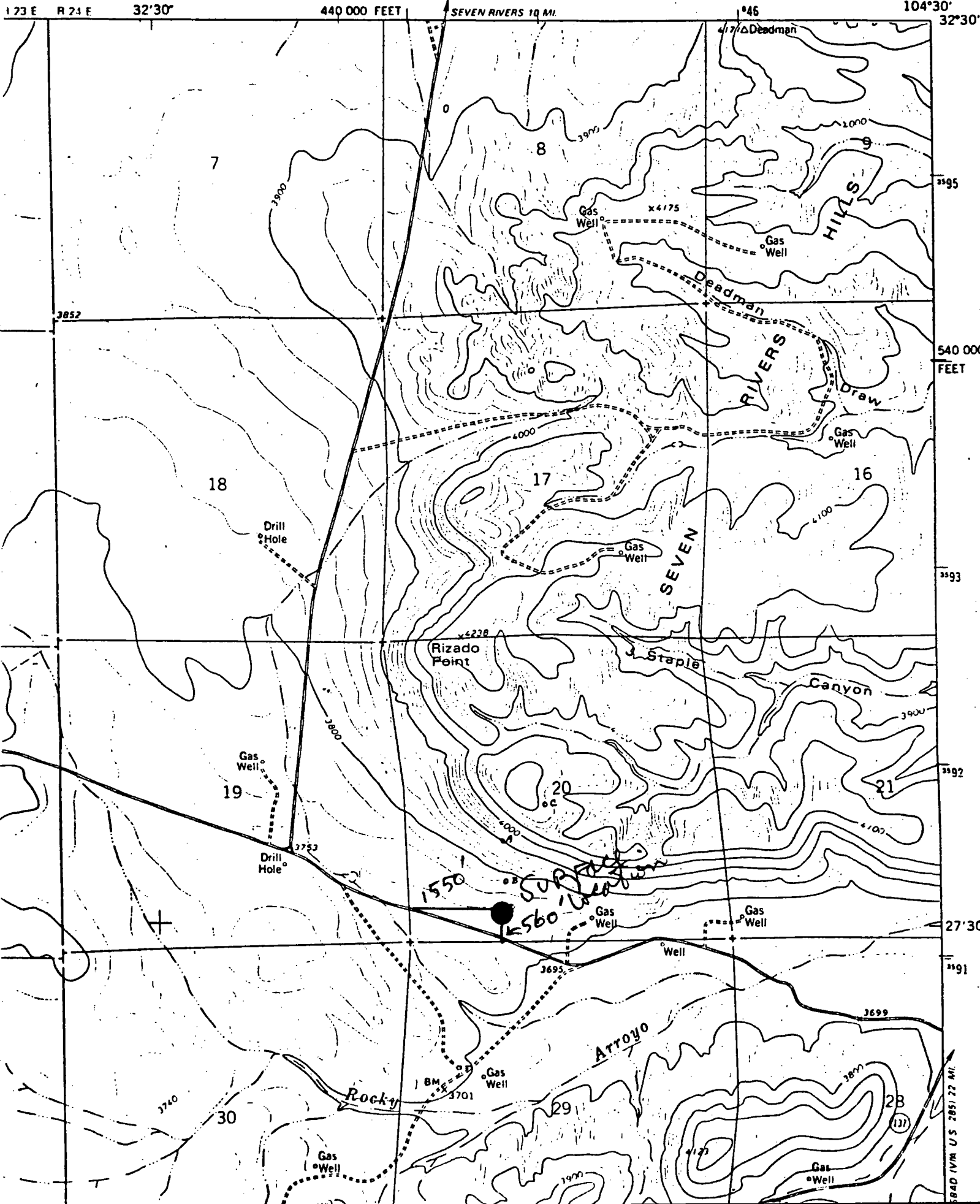
EXHIBIT "C"

MARTHA CREEK QUADRANGLE

NW MEXICO—EDDY CO.

7.5 MINUTE SERIES (TOPOGRAPHIC)

NE/4 BANDANNA POINT 15' QUADRANGLE



KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Telephone 982-4285
Area Code 505

Post Office Box 2265

Jason Kellahin
Of Counsel

Santa Fe, New Mexico 87504-2265

December 14, 1987

Mr. William J. LeMay
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Administrative Application of
Marathon Oil Company for Approval
of Directional Drilling
Indian Basin Field
Eddy County, New Mexico

Dear Mr. LeMay:

On behalf of Marathon Oil Company we have filed a request for approval of an unorthodox well location which has been set for an examiner's hearing on December 16, 1987, as Division Case 9276.

We desire to amend that application and pursuant to Division Rule 111, seek administrative authority to use the same unorthodox surface location, 560 feet from the South line and 1550 feet from the West line of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, and to drill, vertically to a kick off point of approximately 4900 feet and then directionally to a total measured depth of 9150 feet (9000 feet true vertical depth) so that the bottom hole location at that depth is at either a standard location 1650 feet from the West and South lines of said Section 20 or only unorthodox to the extent that the bottomhole location is no closer than 1600 feet to the West and South lines of Section 20.

The acreage dedication for this pool is 640 acres and Marathon Oil Company proposes to dedicate all of Section 20 to the well.

By copy of this letter to all offset operators we are seeking waivers. The offset operators are listed on Exhibit "A", with Kerr-McGee and Penroc being the offset operators closest to the surface location.

RECEIVED
12/16/87

KELLAHIN, KELLAHIN & AUBREY

Mr. William J. LeMay
December 14, 1987
Page 2


Exhibit "B" is a copy of the plat showing the surface and bottom hole location. Exhibit "C" is a copy of the surface location and topography. The surface location is required by the Bureau of Land Management for topographical reasons.

Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

The undersigned on behalf of the named offset operator hereby consents to and waives any objection to the application as set forth above.


(Name)
Penroc Oil Corporation
(Operator)
Dec. 16, 1987
(Date)

Note: Please note the new P. O. Box 5970


Shank


EXHIBIT "A"

LIST OF OFFSET OPERATORS

INDIAN BASIN FIELD

Union Oil of California
P. O. Box 671
Midland, Texas 79701

Barbara Fasken
303 W. Wall, Suite 1901
Midland, Texas 79701-5116

Penroc Oil Corporation
P. O. Box ~~5315~~ 5970
Hobbs, New Mexico 88241

Kerr-McGee
P. O. Box 250
Amarillo, Texas 79189

Union Oil of Calif.

18

EXHIBIT "B"
Barbara Fasken

17

Barbara Fasken

$\frac{414}{25.6}$

7

$\frac{568}{34.9}$

6

Indian Hills Unit Gas Com

Indian Hills

Penroc Oil Corporation 19

Marathon

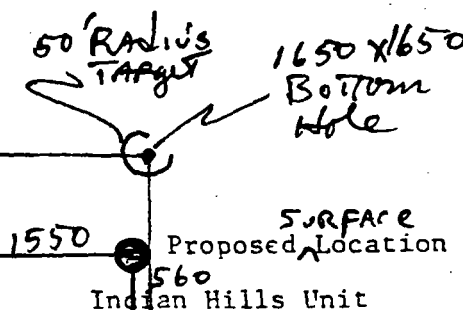
20

Marathon

$\frac{18}{35.9}$

1

Indian Federal Gas Com



1

Indian Hills Unit

Kerr McGee

1700' 30

Marathon

29

Marathon

28

$\frac{1946}{4.3}$

2
SURFACE 1350'

$\frac{0}{8.0}$

1

Martha Creek Gas Com

Indian Hills Unit Gas Com

Indian Hills Unit

Flag-Redfern

31

$\frac{0}{32.7}$

1

Winston Gas Com



PRODUCTION, U.S.
MID-CONTINENT REGION

INDIAN BASIN FIELD

Eddy County, New Mexico

T21S - R24E

Morrow Wells

Present Prod. (MCFPD)
Cum Prod. (BCF)

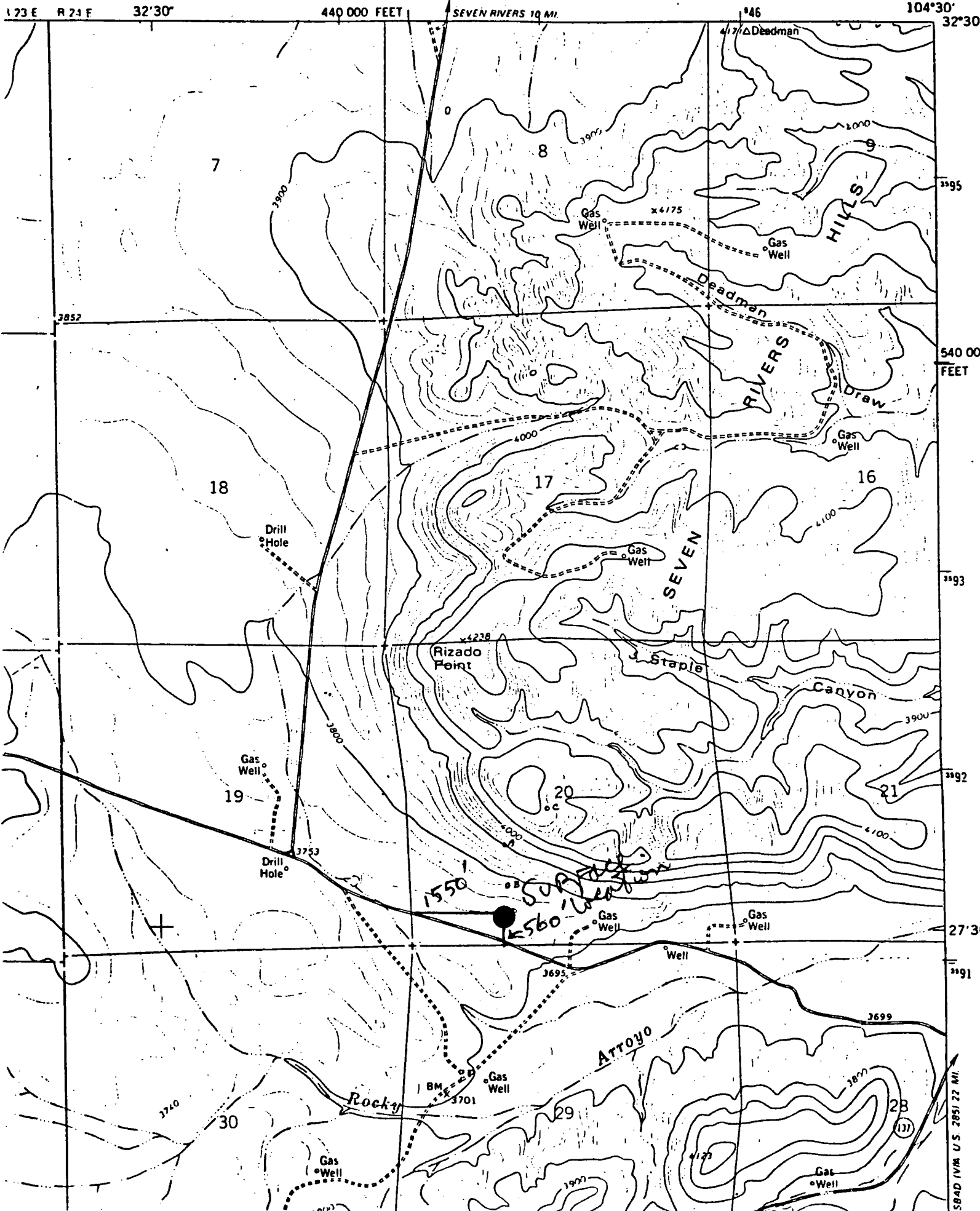
0'

FEET

EXHIBIT "B"

EXHIBIT "C"

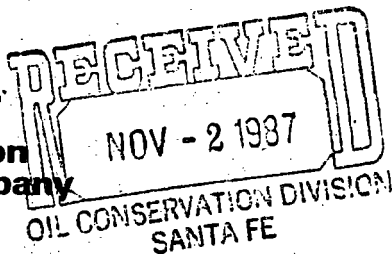
MARTHA CREEK QUADRANGLE
NEW MEXICO—EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)
NE/4 BANDANNA POINT 15' QUADRANGLE





**Marathon
Oil Company**

October 27, 1987



Mid-Continent Region
Production United States

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

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico

Attn: Division Director

Dear Sir:

Re: Unorthodox Location - Indian Basin Field ^{24E}
Section 20, T21S, R34E
Eddy County, New Mexico

Marathon Oil Company requests administrative approval to drill a 9500' Morrow gas well in Section 20, T21S, R24E, Eddy County, New Mexico at an unorthodox location. The proposed well will be located 560' FSL and 1550' FWL in said section. Topographical conditions dictate the selection of this site. Attached is a topographical map of this area illustrating the proposed site at point "D". Point "A", which is a legal location and the original location, is located on the side of the hill. A representative of the Bureau of Land Management was present while these surveys were being made. He rejected sites "A", "B", and "C" based on aesthetics. Too much cutting and blasting would be required to prepare a location at these sites.

A plat showing the ownership of all leases offsetting this location is also enclosed. Offset operators have been notified by mail as evidenced by the enclosed certificate of mailing forms. If any additional information is required, please contact this office. Thank you.

Yours truly,

T. A. Deines

T. A. Deines
Operations Engineering Supervisor

TAD/TFZ2/40/dah

Enclosures

*Will advise when to set to hearing
Talked to Tim Deines
11-16-87*

Case 9276

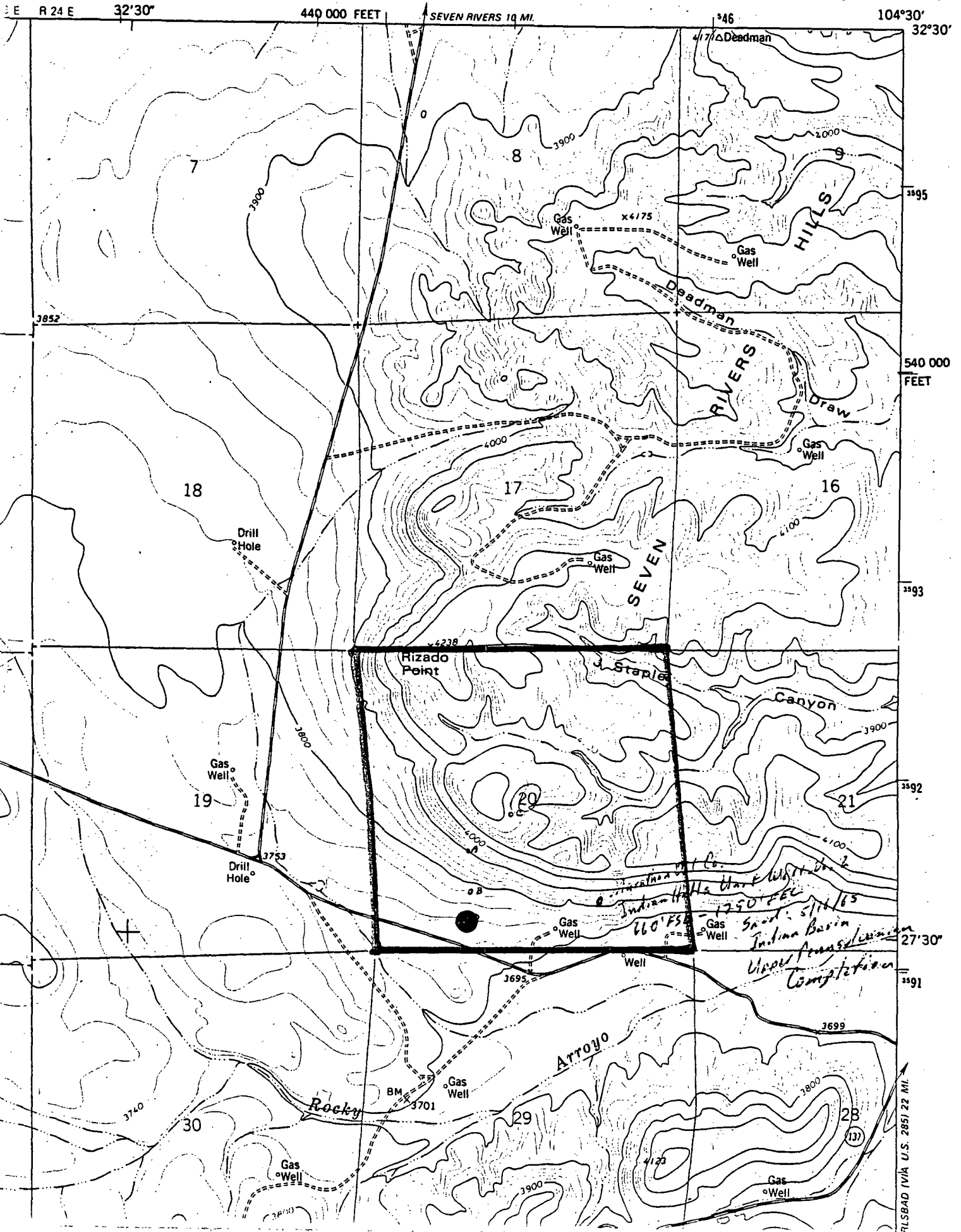
*Benny Hunt
887-6544
Blair
Candlish*



*915-687-8520
Kevin Wilson*

MARTHA CREEK QUADRANGLE
NEW MEXICO—EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)

NE/4 BANDANNA POINT 15' QUADRANGLE

5149 M SW
(SEVEN RIVER)



Union Oil of Calif. 18	Barbara Fasken 17	Barbara Fasken 16
	$\frac{568}{34.9} \bullet 6$	$\frac{414}{25.6} \bullet 7$
	Indian Hills Unit Gas Com	Indian Hills
Penroc Oil Corporation 19	Marathon 20	Marathon 21
$\frac{18}{35.9} \bullet 1$	<p>● Proposed Location</p>	$\bullet 1$
Indian Federal Gas Com	Indian Hills Unit	Indian Hills Unit
Kerr McGee 30	Marathon 29	Marathon 28
$\frac{1946}{4.3} \bullet 2$		
$\frac{0}{8.0} \bullet 1$		
Martha Creek Gas Com	Indian Hills Unit Gas Com	Indian Hills Unit
Flag-Redfern 31	<div>  <p>PRODUCTION, U.S. MID-CONTINENT REGION</p> <p>INDIAN BASIN FIELD</p> <p>Eddy County, New Mexico</p> <p>T21S - R34E</p> <p>Morrow Wells</p> <p>Present Prod. (MCFPD) Cum Prod. (BCF)</p> <p>0'  FEET</p> </div>	
$\frac{0}{32.7} \bullet 1$		
Winston Gas Com		

Mid-Continent Region
Production United States



**Marathon
Oil Company**

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

October 27, 1987

Offset Operators

Case 9276

Dear Sir:

Re: Unorthodox Location
Indian Basin Field
Section 20, T21S, R34E
Eddy County, New Mexico

Marathon Oil Company is requesting administrative approval from the New Mexico Oil Conservation Division to drill a Morrow gas well at an unorthodox location in the above referenced section. The location will be 560' FSL and 1550' FWL of Section 20. This is due to the topographical conditions in the area. The attached topographical map illustrates this. Point "D" on the map is the proposed location.

According to the Oil Conservation Division rules if no objections are registered with the Division Director within 20 days after receipt of the application, permission can be granted for an unorthodox location. If you have any questions regarding this matter, please contact this office.
Thank you.

Yours truly,

A handwritten signature in cursive script, appearing to read 'T. A. Deines'.

T. A. Deines
Operations Engineering Supervisor

TAD/TFZ2/41/dah

Attachment

LIST OF OFFSET OPERATORS

INDIAN BASIN FIELD

Union Oil of California
P. O. Box 671
Midland, TX 79701

Barbara Fasken
303 W. Wall, Suite 1901
Midland, TX 79701-5116

Penroc Oil Corporation
Drawer 831
Midland, TX 79702-0831

Kerr-McGee
Box 250
Amarillo, TX 79189

U.S. POSTAL
CERTIFICATE

Received From:

Marathon Oil Co.

P. O. Box 552

Midland, TX 79702

One piece of ordinary mail addressed to:

Kerr-McGee

Box 250

Amarillo, TX 79189

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER

PS FORM MAY 1978 3817 ☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-750-240

Midland Basin Field

U.S. POSTAL
CERTIFICATE

Received From:

Marathon Oil

P. O. Box 552

Midland TX 79702

One piece of ordinary mail addressed to:

Barbara Fasken

303 W. Wall, Suite 1901

Midland, TX 79701-5116

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER

PS FORM MAY 1978 3817 ☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-750-240

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U.S. POSTAL
CERTIFICATE

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Marathon Oil Co.

P. O. Box 552

Midland, TX 79702

One piece of ordinary mail addressed to:

Union Oil of Calif.

P. O. Box 671

Midland, TX 79701

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PS FORM MAY 1978 3817 ☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-750-240

Midland Basin Field

U.S. POSTAL
CERTIFICATE

Received From:

Marathon Oil

P. O. Box 552

Midland, TX 79702

One piece of ordinary mail addressed to:

Penroc Oil Corp.

Drawer 831

Midland, TX 79702-0831

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Midland Basin Field



**Marathon
Oil Company**

Mid-Continent Region
Production United States

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

November 9, 1987

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Division Director

Re: Unorthodox Location - Indian Hills Unit Well No. 6
Section 20, T21S, R24E
Indian Basin Field
Eddy County, New Mexico

Dear Sir:

An error in the well location of our letter dated October 27, 1987 was discovered. The correct location is Section 20, T21S, R24E, not R34E as shown under the reference in the original letter. Please excuse any inconvenience that this may have caused. Thank you.

Yours truly,

A handwritten signature in cursive script, appearing to read 'T. A. Deines'.

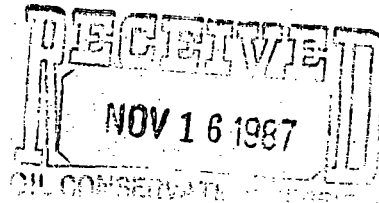
T. A. Deines
Operations Engineering Supervisor

TAD/102/pk

cc: Working Interest Owners

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE



GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 11, 1987

Case 9276

Bill Lemay, Director
New Mexico Oil Conservation Division
P.O. Box 2088
New Mexico State Land Office Bldg.
Santa Fe, New Mexico 87504-2088

Re: Application of Marathon Oil Company for Unorthodox
Well Location, 560' FSL 1550' FWL, Section 20, T-21S
R-24E, Eddy County, New Mexico

Dear Mr. Lemay:

Our client, Kerr-McGee Corporation, has received a copy of Marathon's application for an unorthodox location on the above-referenced well. The application seeks administrative exception to the well location requirements due to topographical conditions. The application also mis-describes the location as being in Range 34 East when it is in fact in 24 East.

Kerr-McGee operates an offsetting well to the southwest in the NE/4 of Section 3, T-21S, R-24E. Kerr-McGee objects to Marathon's proposed bottom hole location absent a showing that Kerr-McGee's correlative rights will not be impaired and that a deviated hole to a standard location cannot be successfully and economically drilled.

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. Scott Hall". The signature is fluid and cursive.

J. Scott Hall

JSH/dmq

cc: Mr. T.A. Deines
Kelly Eisenberg

Sec. _____ Township No. _____ of Range No. _____

Lot 4 39.89	Lot 3 40.55	Lot 2 39.47	Lot 1 37.88
Lot 5 37.95	Lot 6 39.51	Lot 7 39.39	Lot 8 38.34

MONUMENT-BLINEBRY POOL

Lea County, New Mexico

Order No. 850, January 1, 1950, Redefining Pool, as Amended by Order No. R-184, August 28, 1952; Order No. R-348, July 27, 1953; Order No. R-407, February 10, 1954; Order No. R-561, December 16, 1954; Order No. R-713, November 10, 1955.

T-19-S, R-36-E Sec. 36.
T-19-S, R-37-E Sec. 31; W/2 Sec. 32.
T-20-S, R-36-E Sec. 1.
T-20-S, R-37-E W/2 Sec. 5; Sec. 6; N/2, N/2 SE/4 Sec. 7;
W/2 Sec. 8.

MONUMENT-ELLENBURGER GAS POOL

Lea County, New Mexico

Order No. R-544, November 17, 1954, Establishing Pool.

Pool abolished by Order No. R-2618, January 1, 1964.

EAST RED LAKE-QUEEN-GRAYBURG POOL

Eddy County, New Mexico

Order No. R-1611, February 26, 1960, Establishing Pool, as amended by Order No. R-1652, April 19, 1960; Order No. R-1999, July 1, 1961; Order No. R-2062, October 1, 1961; Order No. R-2172, February 1, 1962; Order No. R-2221, May 1, 1962; Order No. R-2410, February 1, 1963; Order No. R-2449, April 1, 1963; Order No. R-2552, September 1, 1963; Order No. R-2578, November 1, 1963; Order No. R-2911, June 1, 1965; Order No. R-2938, August 1, 1965; Order No. R-6169, November 1, 1979; Order No. R-6211, January 1, 1980; Order No. R-6368, July 1, 1980; Order No. R-6476, October 1, 1980; Order No. R-6724, August 1, 1981; Order No. R-6994, June 1, 1982; Order No. R-7030, August 1, 1982; Order No. R-8431, May 1, 1987.

T-16-S, R-28-E SE/4 Sec. 24; Sec. 25; S/2 S/2 Sec. 26; SE/4 SE/4 Sec. 27; Secs. 34, 35, 36.
T-16-S, R-29-E NW/4 Sec. 30; NW/4 SW/4 Sec. 31.
T-17-S, R-28-E NW/4, W/2 SW/4 Sec. 1; E/2, NW/4 Sec. 2; W/2 Sec. 3; NE/4, N/2 SE/4 Sec. 11; W/2, W/2 NE/4 Sec. 12.

ARKANSAS JUNCTION-QUEEN GAS POOL

Lea County, New Mexico

Order No. R-1981, June 1, 1961, Establishing Pool, as Amended by Order No. R-2062, October 1, 1961; Order No. R-2172, February 1, 1962; Order No. R-2292, August 1, 1962; Order No. R-2393, January 1, 1963; Order No. R-2449, April 1, 1963.

T-18-S, R-36-E S/2 Sec. 1; SE/4 Sec. 2; S/2, NE/4 Sec. 11; E/4, W/2 Sec. 12; W/2 Sec. 13; NE/4 Sec. 14; N/2 Sec. 23; W/4 Sec. 24.

SOUTH PRAIRIE-CISCO POOL

Roosevelt County, New Mexico

Order No. R-1824, November 21, 1960, Establishing Pool, as Amended by Order No. R-1857, February 1, 1961; Order No. R-1942, May 1, 1961; Order No. R-1999, July 1, 1961; Order No. R-2062, October 1, 1961; Order No. R-2139, January 1, 1962; Order No. R-2221, May 1, 1962; Order No. R-2266, July 1, 1962; Order No. R-2485, June 1, 1963; Order No. R-2726, July 1, 1964; Order No. R-3806, August 1, 1969; Order No. R-4080, January 1, 1971; Order No. R-4106, March 1, 1971; Order No. R-4566, July 1, 1973.

T-8-S, R-36-E S/2 Sec. 15; S/2 Sec. 16; S/2 Sec. 17; Secs. 20, 21; N/2 Sec. 22; W/2 Sec. 23.

GREENWOOD-BONE SPRING POOL

Eddy County, New Mexico

Order No. R-2427, March 1, 1963, Establishing Pool.

T-19-S, R-31-E NE/4 Sec. 12.

GREENWOOD-STRAWN POOL

Eddy County, New Mexico

Order No. R-2427, March 1, 1963, Establishing Pool.

T-19-S, R-31-E NE/4 Sec. 12.

INDIAN BASIN-MORROW GAS POOL

Eddy County, New Mexico

Order No. R-2441, March 1, 1963, Establishing Pool, as Amended by Order No. R-2569, October 1, 1963; Order No. R-2726, July 1, 1964; Order No. R-2911, June 1, 1965; Order No. R-3758, June 1, 1969; Order No. R-4782, June 1, 1974; Order No. R-5162, March 1, 1976; Order No. R-5885, December 29, 1978; Order No. R-5891, January 1, 1979; Order No. R-8391, February 1, 1987.

T-21-S, R-23-E Secs. 10, 14, 15, 22 through 25, 36.
T-21-S, R-24-E S/2 Sec. 9; Secs. 16, 17, 19, 20, 30, 31, 32.