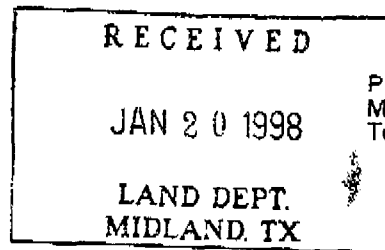


**Marathon  
Oil Company**Mid-Continent Region  
Production United StatesP.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

January 15, 1998

Working and Royalty Interest Owners  
(Mailing list attached)

(Certified Return Receipt Requested)

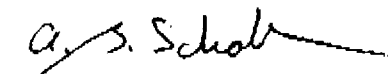
Re: Off-lease Storage, Measurement, and Sales and Commingling  
Marathon Leases: Indian Hills Unit, Indian Hills Unit Gas Com. IB "32" State  
Including all of Sections 20, 21, 28, 29, 32 and 33, Township 21 South, Range 24 East  
Federal Lease Nos.: Section 20 - LC 064391-B Section 29 - LC 064391-B  
Section 21 - NM 07260 NM0330449  
NM 07360-F Section 33 - NM 07260  
Section 28 - NM 06293 LC 067649-A  
NM 06293-A State Lease Nos: Section 32 - V-992-3  
NM 030482 V-993-3

Gentlemen:

Marathon Oil Company is proposing commingling and off-lease metering, storage, and sales of production from the Indian Hills Unit, Indian Hills Unit Gas Com. and IB "32" State wells. All production will be commingled and allocated using regular well tests. Our records indicate that you are an interest owner in one of the subject wells and as such, pursuant to NMOCD rules and regulations, are required to provide your consent to the proposed commingling of production from these wells. Marathon believes that the commingling of production will result in economies of scale that will lower operating costs and benefit all interest owners.

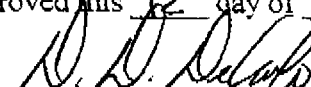
Please indicate your approval by signing in the space below and returning one copy of this letter to this office in the enclosed envelope. The second copy is for your files. Your prompt attention to this matter will be greatly appreciated.

Sincerely,

  
A. B. Schoffmann  
Indian Basin Asset Team Manager

ABS/vll/wperfect/eibwiltz.wpd

Attachments

Approved this 12<sup>th</sup> day of March, 1998  
by 

By: Don D. DeCarlo  
Title: Division Mgr - Production  
Company: Santa Fe Energy Res.

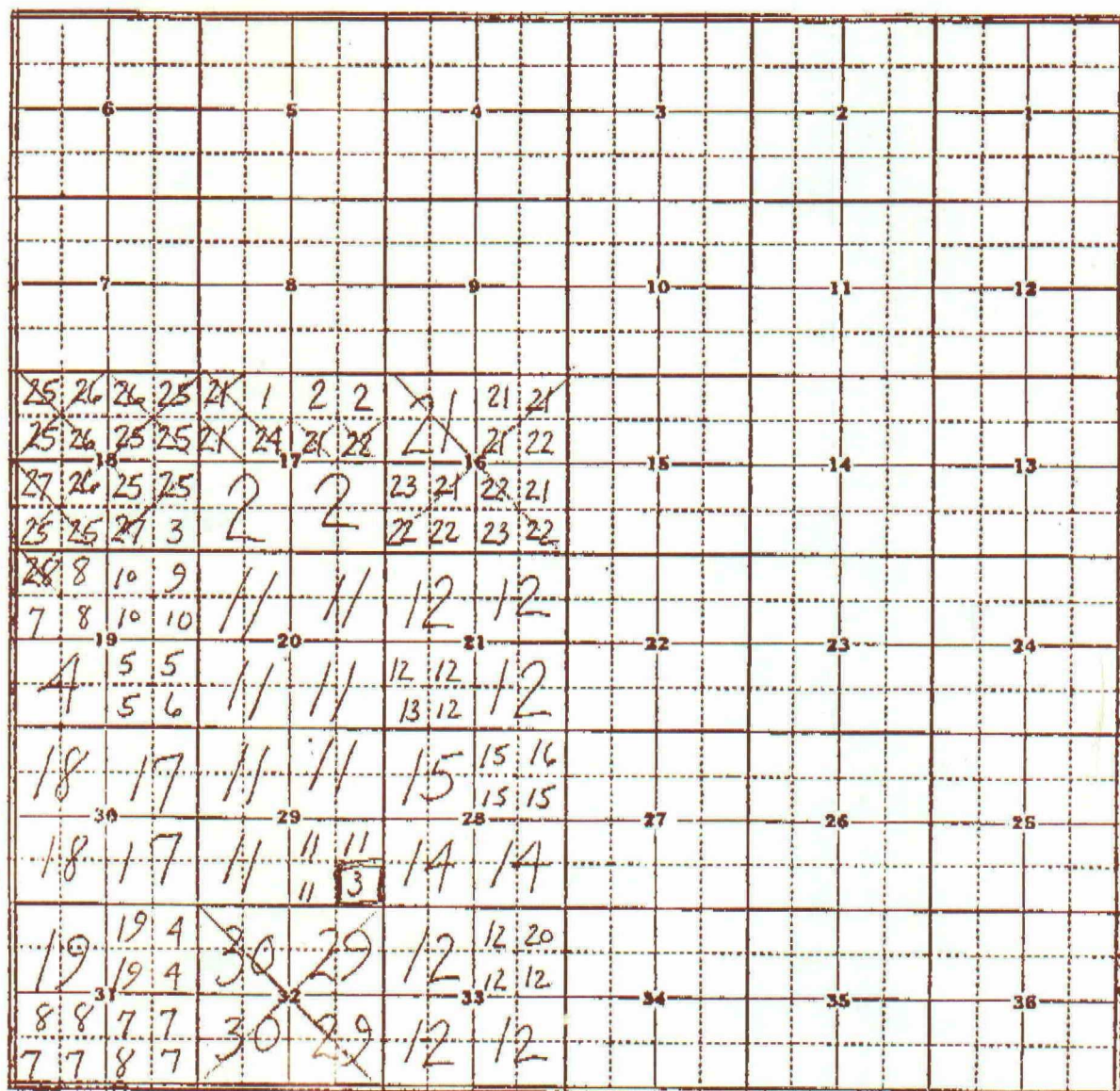
**SCHUTZ ABSTRACT CO., INC.**

P.O. BOX 973

(505) 982-0130

SANTA FE, NEW MEXICO 87504

T. 21 South R. 24 East  
 Eddy County  
 12/18/97



RED - STATE LAND  
 BLUE - FEE LAND

- |                 |               |
|-----------------|---------------|
| 1. LC 064243-D  | 25. VA-636    |
| 2. LC 064243-A  | 26. E-10169-5 |
| 3. NM 0330449   | 27. OG-6063   |
| 4. LC 063246-C  | 28. E-10169-1 |
| 5. NM 0238436   | 29. V-992-3   |
| 6. NM 025235    | 30. V-993-3   |
| 7. LC 063246-B  |               |
| 8. LC 063246-D  |               |
| 9. LC 063245-B  |               |
| 10. LC 063245-A |               |
| 11. LC 064391-B |               |
| 12. NM 07260    |               |
| 13. NM 07260-F  |               |
| 14. NM 030482   |               |
| 15. NM 06293    |               |
| 16. NM 06293-A  |               |
| 17. NM 029301   |               |
| 18. NM 025235-A |               |
| 19. LC 063246   |               |
| 20. LC 067649-A |               |
| 21. E-7437-2    |               |
| 22. OG-6063-2   |               |
| 23. E-10169-3   |               |

## MARATHON OIL COMPANY

Mid-Continent Region

Telephone: 915/682-1626

FAX: 915/687-8431

P. O. Box 552

Midland, TX 79702

FAX/TELECOPYDATE: 3-17-98 FAX NUMBER: 505-827-1389TO: Ben StoneCOMPANY: NM OCDWe are transmitting 2 pages, including cover page.COMMENTS:Indian Hills Unit  
Commingled + Central facility

FROM:

Garry L. Lark



COUNTY

POOL

TOWNSHIP

RANGE

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
	6 2	1			
30	3	29	28	27	26
		4			25
		9			
31	32	33	34	35	36
	17	8 11			

18'32' STATE LEASE

INDIAN HILLS UNIT