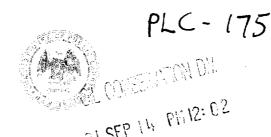
COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-1245 Fax (505) 827-5766



New Mexico State Land Office Commissioner of Public Lands Ray Powell, M.S., D.V.M.

COMMERCIAL RESOURCES Phone (505) 827-5724 Fax (505) 827-6157

MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

SURFACE RESOURCES Phone (505) 827-5793 Fax (505) 827-5711

September 13, 2001

Marathon Oil Company P. O. Box 552 Midland, Texas 79702-0552

Attention: Ms. Ginny Larke

Re:

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

North Indian Basin Unit Gas Com #32 wells

Federal IBA Gas Com #1, #2

Indian Basin "A" #2, #3, and #4 Wells.

Sections 15 and 22 of Township 21 South, Range 23 East

Dear Ms. Larke:

We have received your letter of August 20, 2001, wherein you have requested our approval to amend the Off-Lease Storage, Measurement, Sales and Commingling Agreement that covers the above named leases.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit a \$30.00 filing fee. Please also submit a copy of the NMOCD and BLM's approvals.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.

COMMISSIONER OF PUBLIC LANDS

JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744 RP/JB/pm

pc:

Reader File,

BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

OCD-Santa Fe Attn: Mr. David Catanach