

Mid-Continent Region  
Production United States



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February 14, 1995

**RECEIVED**

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Oil Conservation Division

Mr. William J. LeMay  
Oil Conservation Division  
Energy, Minerals and Natural Resources Department  
310 Old Santa Fe Trail, Room 206  
Santa Fe, New Mexico 87503

Re: Prorated Gas Allowables for April 1995 through September 1995 Period  
Indian Basin Upper Penn Pool  
Eddy County, New Mexico

Dear Mr. LeMay:

Marathon Oil Company operates thirteen active gas wells and owns a working interest in six other active wells in the Indian Basin Upper Penn Pool. Although Marathon does not intend to present testimony at the February 23 hearing, we support the Oil Conservation Division's proposed non-marginal well allowable rate of 200,000 Mcf per month as set forth in your preliminary market demand and allowable determination schedule.

Marathon has made significant investments for production equipment and development work to maximize production capacity from the Indian Basin Upper Penn wells. The allowable of 200,000 Mcf per month will allow us to continue making investments to maximize recovery from the field. In addition, we recognize that the proposed allowable is a continuation of the Commission's findings during the prior five proration periods. We believe maintaining this allowable rate will permit equitable sharing of gas produced between the owners in the pool based on current well deliverabilities.

Sincerely yours,

A handwritten signature in cursive script that reads 'R. L. Steward'.

R. L. Steward, P.E.  
Petroleum Engineer