

MARATHON OIL COMPANY
Indian Basin Morrow Gas Pool Questionnaire
Eddy County, New Mexico

1. COMPANY NAME: ORYX ENERGY COMPANY

2. COMPANY CONTACT WITH REGARD TO THE INDIAN BASIN MORROW GAS POOL:

Name: Glynn Broussard

Address: P.O. Box 2880

City/State/Zip: Dallas, TX 75221-2880

Telephone No: 214-715-8335

3. HOW DOES YOUR COMPANY FEEL ABOUT FREEZING THE BOUNDARIES OF THE POOL AS THEY CURRENTLY STAND?

Agree:

Oppose:

Agree in Part:

No Opinion:

4. DO YOU CURRENTLY OPERATE OR OWN AN INTEREST IN ANY LANDS WITHIN THE POOL WHICH YOU WOULD LIKE TO HAVE REMOVED FROM THE POOL SO THAT THEY MAY BE DEVELOPED ON A 320-ACRE SPACING?

Yes

No

If yes, list lands: _____

5. DO YOU BELIEVE PRORATIONING IN THE POOL SHOULD CONTINUE?

Continue:

Terminate:

No opinion:

6. DO YOU HAVE ANY OBJECTION TO OCD APPROVING MARATHON OIL COMPANY'S REQUEST TO REMOVE THE WEST HALF OF SECTION 2, WEST HALF OF SECTION 11, AND ALL OF SECTION 14 OF T-21-S, R-23-E, FROM THE POOL AND FREEZING THE BOUNDARY OF THE POOL ALONG THE WESTERN SIDE OF THOSE SECTIONS AND THE SOUTHERN SIDE OF SECTION 13 AND 14 OF T-21-S, R-23-E?

Yes:

No:

Marathon Oil Company

SEP 01 1995

INDIAN BASIN ASSET TEAM
MID-CONTINENT REGION

PLEASE ATTACH ANY ADDITIONAL COMMENTS YOU MAY HAVE.

MARATHON OIL COMPANY
Indian Basin Morrow Gas Pool Questionnaire
Eddy County, New Mexico

1. COMPANY NAME: Kerr-McGee Corporation

2. COMPANY CONTACT WITH REGARD TO THE INDIAN BASIN MORROW GAS POOL:

Name: David Henke

Address: POB 25861

City/State/Zip: OKC OK 73125

Telephone No: (405) 270-6196

3. HOW DOES YOUR COMPANY FEEL ABOUT FREEZING THE BOUNDARIES OF THE POOL AS THEY CURRENTLY STAND?

Agree: However, we have no objection to the deletion
Oppose: discussed in 6 below.
Agree in Part:
No Opinion:

4. DO YOU CURRENTLY OPERATE OR OWN AN INTEREST IN ANY LANDS WITHIN THE POOL WHICH YOU WOULD LIKE TO HAVE REMOVED FROM THE POOL SO THAT THEY MAY BE DEVELOPED ON A 320-ACRE SPACING?

Yes We have interest in lands we would like to develop on 160 or 320
No spacing. We would prefer this be done by eliminating prorationing and
changing field rules to allow for 4 wells per section in different quarter
sections at least 660' from section lines. The sections most important to
KM are Sections 19, 30 & 31 T21S-R24E.
If yes, list lands: _____

5. DO YOU BELIEVE PRORATIONING IN THE POOL SHOULD CONTINUE?

Continue:
Terminate: Prorationing in the field should terminate if the field rules are changed to
No opinion: permit multiple wells as described in 4.

6. DO YOU HAVE ANY OBJECTION TO OCD APPROVING MARATHON OIL COMPANY'S REQUEST TO REMOVE THE WEST HALF OF SECTION 2, WEST HALF OF SECTION 11, AND ALL OF SECTION 14 OF T-21-S, R-23-E, FROM THE POOL AND FREEZING THE BOUNDARY OF THE POOL ALONG THE WESTERN SIDE OF THOSE SECTIONS AND THE SOUTHERN SIDE OF SECTION 13 AND 14 OF T-21-S, R-23-E?

Yes:
No:

PLEASE ATTACH ANY ADDITIONAL COMMENTS YOU MAY HAVE.

MARATHON OIL COMPANY
Indian Basin Morrow Gas Pool Questionnaire
Eddy County, New Mexico

1. COMPANY NAME: Barbara Fasken

2. COMPANY CONTACT WITH REGARD TO THE INDIAN BASIN MORROW GAS POOL:

Name: Carl Brown

Address: 303 W. Wall Ave., Suite 1900

City/State/Zip: Midland, TX 79701

Telephone No: (915) 687-1777

3. HOW DOES YOUR COMPANY FEEL ABOUT FREEZING THE BOUNDARIES OF THE POOL AS THEY CURRENTLY STAND?

Agree:

Oppose:

Agree in Part: Freeze as is in T-21-S, R-24-E

No Opinion:

4. DO YOU CURRENTLY OPERATE OR OWN AN INTEREST IN ANY LANDS WITHIN THE POOL WHICH YOU WOULD LIKE TO HAVE REMOVED FROM THE POOL SO THAT THEY MAY BE DEVELOPED ON A 320-ACRE SPACING?

Yes

No

If yes, list lands: _____

5. DO YOU BELIEVE PRORATIONING IN THE POOL SHOULD CONTINUE?

Continue:

Terminate:

No opinion:

6. DO YOU HAVE ANY OBJECTION TO OCD APPROVING MARATHON OIL COMPANY'S REQUEST TO REMOVE THE WEST HALF OF SECTION 2, WEST HALF OF SECTION 11, AND ALL OF SECTION 14 OF T-21-S, R-23-E, FROM THE POOL AND FREEZING THE BOUNDARY OF THE POOL ALONG THE WESTERN SIDE OF THOSE SECTIONS AND THE SOUTHERN SIDE OF SECTION 13 AND 14 OF T-21-S, R-23-E?

Yes:

No:

Marathon Oil Company

SEP 06 1995

INDIAN BASIN ASSET TEAM
MID-CONTINENT REGION

PLEASE ATTACH ANY ADDITIONAL COMMENTS YOU MAY HAVE.

MARATHON OIL COMPANY
Indian Basin Morrow Gas Pool Questionnaire
Eddy County, New Mexico

1. COMPANY NAME: Citation Oil & Gas Corp.

2. COMPANY CONTACT WITH REGARD TO THE INDIAN BASIN MORROW GAS POOL:

Name: Robert W. Unger, Chief Geologist

Address: 8223 Willow Place South, Ste. 250

City/State/Zip: Houston, Texas 77070-5623

Telephone No: (713)469-9664

3. HOW DOES YOUR COMPANY FEEL ABOUT FREEZING THE BOUNDARIES OF THE POOL AS THEY CURRENTLY STAND?

Agree:

Oppose:

Agree in Part:

No Opinion:

4. DO YOU CURRENTLY OPERATE OR OWN AN INTEREST IN ANY LANDS WITHIN THE POOL WHICH YOU WOULD LIKE TO HAVE REMOVED FROM THE POOL SO THAT THEY MAY BE DEVELOPED ON A 320-ACRE SPACING?

Yes

No

If yes, list lands: _____

5. DO YOU BELIEVE PRORATIONING IN THE POOL SHOULD CONTINUE?

Continue:

Terminate:

No opinion:

6. DO YOU HAVE ANY OBJECTION TO OCD APPROVING MARATHON OIL COMPANY'S REQUEST TO REMOVE THE WEST HALF OF SECTION 2, WEST HALF OF SECTION 11, AND ALL OF SECTION 14 OF T-21-S, R-23-E, FROM THE POOL AND FREEZING THE BOUNDARY OF THE POOL ALONG THE WESTERN SIDE OF THOSE SECTIONS AND THE SOUTHERN SIDE OF SECTION 13 AND 14 OF T-21-S, R-23-E?

Yes:

No:

PLEASE ATTACH ANY ADDITIONAL COMMENTS YOU MAY HAVE.

MARATHON OIL COMPANY
Indian Basin Morrow Gas Pool Questionnaire
Eddy County, New Mexico

1. COMPANY NAME: SANTA FE ENERGY RESOURCES

2. COMPANY CONTACT WITH REGARD TO THE INDIAN BASIN MORROW GAS POOL:

Name: Don Rogers
Address: 550 W. Texas Suite 1300
City/State/Zip: Midland, Tx 79701
Telephone No: (915) 684-6709

3. HOW DOES YOUR COMPANY FEEL ABOUT FREEZING THE BOUNDARIES OF THE POOL AS THEY CURRENTLY STAND?

Agree:
Oppose:
Agree in Part:
No Opinion:

4. DO YOU CURRENTLY OPERATE OR OWN AN INTEREST IN ANY LANDS WITHIN THE POOL WHICH YOU WOULD LIKE TO HAVE REMOVED FROM THE POOL SO THAT THEY MAY BE DEVELOPED ON A 320-ACRE SPACING?

Yes:
No:

If yes, list lands: Section 14 - T21S - R23E

5. DO YOU BELIEVE PRORATIONING IN THE POOL SHOULD CONTINUE?

Continue:
Terminate:
No opinion:

6. DO YOU HAVE ANY OBJECTION TO OCD APPROVING MARATHON OIL COMPANY'S REQUEST TO REMOVE THE WEST HALF OF SECTION 2, WEST HALF OF SECTION 11, AND ALL OF SECTION 14 OF T-21-S, R-23-E, FROM THE POOL AND FREEZING THE BOUNDARY OF THE POOL ALONG THE WESTERN SIDE OF THOSE SECTIONS AND THE SOUTHERN SIDE OF SECTION 13 AND 14 OF T-21-S, R-23-E?

Yes:
No:

PLEASE ATTACH ANY ADDITIONAL COMMENTS YOU MAY HAVE.

MARATHON OIL COMPANY
Indian Basin Morrow Gas Pool Questionnaire
Eddy County, New Mexico

1. COMPANY NAME: YATES PETROLEUM CORPORATION

2. COMPANY CONTACT WITH REGARD TO THE INDIAN BASIN MORROW GAS POOL:

Name: Randy G. Patterson
Address: 105 S. 4th St
City/State/Zip: Artesia NM 88210
Telephone No: 505/748-4355

3. HOW DOES YOUR COMPANY FEEL ABOUT FREEZING THE BOUNDARIES OF THE POOL AS THEY CURRENTLY STAND?

Agree:
Oppose:
Agree in Part:
No Opinion:

4. DO YOU CURRENTLY OPERATE OR OWN AN INTEREST IN ANY LANDS WITHIN THE POOL WHICH YOU WOULD LIKE TO HAVE REMOVED FROM THE POOL SO THAT THEY MAY BE DEVELOPED ON A 320-ACRE SPACING?

Yes
No

If yes, list lands: See attached letter

5. DO YOU BELIEVE PRORATIONING IN THE POOL SHOULD CONTINUE?

Continue:
Terminate:
No opinion:

6. DO YOU HAVE ANY OBJECTION TO OCD APPROVING MARATHON OIL COMPANY'S REQUEST TO REMOVE THE WEST HALF OF SECTION 2, WEST HALF OF SECTION 11, AND ALL OF SECTION 14 OF T-21-S, R-23-E, FROM THE POOL AND FREEZING THE BOUNDARY OF THE POOL ALONG THE WESTERN SIDE OF THOSE SECTIONS AND THE SOUTHERN SIDE OF SECTION 13 AND 14 OF T-21-S, R-23-E?

Yes:
No: see attached letter

PLEASE ATTACH ANY ADDITIONAL COMMENTS YOU MAY HAVE.

Randy G. Patterson

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
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RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

September 1, 1995

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

Attention: Mr. Robert A. Biernbaum, Project Manager
Indian Basin Asset Team

Re: New Mexico Oil Conservation Division
Case 11333; Application of Marathon Oil
Company for the Expansion of the
Cemetery Morrow Gas Pool and the
Contraction of the Indian Basin Morrow
Gas Pool
Eddy County, New Mexico *and*
Pool Rules for Indian Basin Morrow Gas
Pool in General

Dear Mr. Biernbaum,

In response to your letter dated August 11, 1995 and your Indian Basin Morrow Gas Pool questionnaire we would offer the following:

1. Yates companies would not oppose an application to request drilling of additional wells within existing 640-acre spacing units. If it is Marathon's desire to drill on an *effective* 320-acre type spacing, then one additional well per 640-acre spacing unit would be appropriate.
2. Yates companies would strongly oppose down-spacing from 640 acres to 320 acres, or any other smaller unit areas, of existing producing spacing units. We believe it has been a long standing yet unwritten policy of the New Mexico Oil Conservation Division to not down-space producing spacing units and we concur with this philosophy. You referred to the problems which could be encountered from such down-spacing in the third paragraph of your August 11, 1995 letter, therefore we would oppose a down-spacing of producing spacing units.
3. Yates companies would not be opposed to freezing the boundary of the Indian Basin Morrow Gas Pool and doing future development on 320-acre spacing for any non-producing spacing units.

Marathon Oil Company

SEP 05 1995

INDIAN BASIN ASSET TEAM
MID-CONTINENT REGION

Marathon Oil Company
September 1, 1995

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In conclusion, Yates companies believe that the proper way to accomplish your goal is to 1) Freeze the boundary of the Indian Basin's Morrow Pool and retain 640-acre spacing only in that area, 2) Make application to New Mexico Oil Conservation Division to provide for one additional well on each 640-acre spacing unit within the Indian Basin Morrow Pool (making an effective 320-acre spacing), 3) Develop non-producing acreage on state 320-acre spacing.

Your questionnaire requested opinions on prorationing. It is our belief that prorationing of this field does not protect any correlative rights nor does it assist or enhance the development of the field. We therefore could support discontinuance of prorationing.

Please give us notice of any further hearing you may have on this subject.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Randy G. Patterson", with a long horizontal line extending to the right.

Randy G. Patterson
Land Manager

RGP/mw

Enclosure

cc: Mr. Michael Stogner - New Mexico Oil Conservation Division