



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 7, 1997

**CERTIFIED MAIL &
RETURN RECEIPT REQUESTED**

Mr. Lee Scarborough
ARCO Permian
P. O. Box 1610
Midland, Texas 79702-1610

Re: W. B. Travis "15" State Com #1
E/2 Section 15, T-18-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Marathon hereby amends our well proposal dated December 12, 1996 for the captioned well by changing the location of the well to 1,000' FNL and 950' FEL which is an unorthodox location. Enclosed is a new AFE with the revised location. All other terms of our proposal remain unchanged.

Since you are an offsetting owner to the north of this location we enclose a waiver letter addressed to the New Mexico Oil Conservation Division. If you still are unopposed to this location, please sign this letter and return it to me at your earliest convenience.

Marathon has contracted a rig to spud this well on or about May 1, 1997. If you still don't plan to participate in this well, please forward an agreement for the trade you have chosen in lieu of participation.

If you have any questions, please call me.

Sincerely,

Tim Robertson, CPL
Advanced Landman

TBR:hr
Enclosure

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Mr. Lee Scarborough ARCO Permian P. O. Box 1610 Midland, TX 79702-1610		4a. Article Number P 268 436 197	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery MAR 10 1997	
5. Received By: (Print Name) 		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X			

Thank you for using Return Receipt Service.



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Telephone 915/682-1626

March 7, 1997

**CERTIFIED MAIL &
RETURN RECEIPT REQUESTED**

Mr. Rusty Waters
Louis Dreyfus Natural Gas Corporation
1400 Quail Springs Parkway, Suite 600
Oklahoma City, Oklahoma 73134

Re: W. B. Travis "15" State Com #1
E/2 Section 15, T-18-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Marathon hereby amends our well proposal dated December 12, 1996 for the captioned well by changing the location of the well to 1,000' FNL and 950' FEL which is an unorthodox location. Enclosed is a new AFE with the revised location. All other terms of our proposal remain unchanged.

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If you have any questions, please call me.

Sincerely,

Tim Robertson, CPL
Advanced Landman

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3. Article Addressed to: Mr. Rusty Waters Louis Dreyfus Natural Gas Corp. 1400 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134		4a. Article Number P 268 436 196	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery 3/10	
5. Received By: (Print Name)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Addressee or Agent) 			

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March 7, 1997

**CERTIFIED MAIL &
RETURN RECEIPT REQUESTED**

Mr. Robert Bullock
Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Re: W. B. Travis "15" State Com #1
E/2 Section 15, T-18-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Marathon hereby amends our well proposal dated December 12, 1996 for the captioned well by changing the location of the well to 1,000' FNL and 950' FEL which is an unorthodox location. Enclosed is a new AFE with the revised location. All other terms of our proposal remain unchanged.

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Marathon has contracted a rig to spud this well on or about May 1, 1997. If you still plan to participate in this well, please sign and return the AFE and we will forward an operating agreement to you.

If you have any questions, please call me.

Sincerely,

Tim Robertson, CPL
Advanced Landman

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3. Article Addressed to: Mr. Robert Bullock Yates Petroleum Corp. 105 South 4th Street Artesia, NM 88210		4a. Article Number P 268-436-209	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery 3.10.97	
5. Received By: (Print Name)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Addressee or Agent) 			

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March 7, 1997

**CERTIFIED MAIL &
RETURN RECEIPT REQUESTED**

Mr. Doug Laufer, CPL
Exxon Company, USA
P. O. Box 1600
Midland, Texas 79702-1600

Re: W. B. Travis "15" State Com #1
E/2 Section 15, T-18-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Marathon hereby amends our well proposal dated December 12, 1996 for the captioned well by changing the location of the well to 1,000' FNL and 950' FEL which is an unorthodox location. Enclosed is a new AFE with the revised location. All other terms of our proposal remain unchanged.

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Sincerely,

Tim Robertson, CPL
Advanced Landman

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3. Article Addressed to: Mr. Doug Laufer, CPL Exxon Company, USA P O Box 1600 Midland, TX 79702-1600		4a. Article Number P-268-436-207	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> CCD	
		7. Date of Delivery MAR 10 1997	
5. Received By: (Print Name)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X			

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March 7, 1997

**CERTIFIED MAIL &
RETURN RECEIPT REQUESTED**

Mr. Ken Gray, CPL
Devon Energy Corporation
20 N. Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

Re: W. B. Travis "15" State Com #1
E/2 Section 15, T-18-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Marathon hereby amends our well proposal dated December 12, 1996 for the captioned well by changing the location of the well to 1,000' FNL and 950' FEL which is an unorthodox location. Enclosed is a new AFE with the revised location. All other terms of our proposal remain unchanged.

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If you have any questions, please call me.

Sincerely,

Tim Robertson, CPL
Advanced Landman

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Enclosure

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3. Article Addressed to: Mr. Ken Gray, CPL Devon Energy Corp. 20 N. Broadway, Suite 1500 Oklahoma City, OK 73102		4a. Article Number P 268-436-208	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery	
5. Received By: (Print Name)		8. Addressee's Address (Only if requested and fee is paid)	
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Telephone 915/682-1626

March 7, 1997

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Location Drilling Permit
W. B. Travis "15" State Com #1
E/2 Section 15, T-18-S, R-28-E, NMPM
Eddy County, New Mexico

Gentlemen:

Yates Petroleum, Inc., as offset operator or offset lessee or unleased mineral owner, has been advised of Marathon Oil Company's intent to drill the referenced well at a location 1,000' FNL and 950' FEL of Section 15, T-18-S, R-28-E, Eddy County, New Mexico.

This letter is to advise that Yates Petroleum, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application for an unorthodox location drilling permit.

Sincerely,

A handwritten signature in cursive script that reads "Tim Robertson".

Tim Robertson, CPL
Advanced Landman

TBR:hr

YATES PETROLEUM, INC.

By: _____
Date signed: _____

Region	Mid-Continent	Total Depth	10,800
Field	Travis	Drilling Days	35
Lease	W. B. Travis "15" State Com #1	Compl Days	10
Location	1000' FNL. & 950' FEL, Sec. 15, T18S-R28E, Eddy County, NM	AFF#	665296

Source	Quantity	Feature	Cont	A
DRILLING COSTS - TANGIBLE				
		Drive Pipe	81-7	
Purchase		Conductor Pipe- 20",PE	81-8	
Purchase	575	Surface Pipe- 13-3/8",48#,11-40,8rd,STC	81-9	\$9,000
Purchase	2700	Casing, Int. String No. 1- 9-5/8"	81-11	\$30,000
		Casing, Intermediate String No. 2	81-12	
		Drilling Liner	81-19	
		Drilling Liner Hanger and Tieback Equipment	81-22	
Purchase		Drilling Wellhead Equipment	81-80	\$4,500
Purchase		Miscellaneous Materials	81-217	\$1,000
TOTAL DRILLING - TANGIBLE				\$44,500
DRILLING COSTS - INTANGIBLE				
Contract		Surveying, Location & Access	81-2	\$500
Contract		Well Location & Access	81-5	\$15,000
Contract		Daywork Drlg. - \$5650/24 hour day incl. Fuel	81-36	\$27,500
Contract	11500	Footage Basis Drlg.- Dry Hole Drilling	81-37	\$230,000
		Turnkey Drilling	81-38	
		Drilling Rig Mob/Demob	81-39	
Contract		Blowout Prevention Equipment	81-41	
		Drill Pipe & Collars	81-44	
		Drilling & Service Tools	81-45	
		Drilling Services	81-50	
		Snubbing Units, Company	81-62	
		Snubbing Units, Contract	81-68	
Contract		Mud System/Solids Control	81-40	\$4,000
Contract		Mud and Mud Services	81-71	\$25,000
		Bits	81-69	
		Stabilizers, Hole Openers, Underreamers	81-70	
		Oil	81-72	
		Grease	81-72	
		Fuel, Diesel (Not furnished by Contractor)	81-74	
Contract		Water	81-336	\$12,000
Contract		Casing Tools and Services	81-90	\$9,000
Contract		Cement and Cementing Service	81-91	\$25,000
Contract		Logging Services, Open Hole	81-93	\$30,000
		Logging Services, Cased Hole	81-94	
Contract		Mud Logging	81-95	\$10,000
Contract		Inspection, Pipe & Casing	81-97	\$3,500
		Directional Services	81-101	
		Coring	81-102	
Contract		Formation Testing, Open Hole	81-104	\$4,500
		Formation Testing, Cased Hole	81-105	
		Well Control Services	81-120	
Contract		Trucking/Transportation, Other	81-126	\$5,500
Contract		Well Test Equipment	81-127	\$2,500
		Fishing Tools and Services	81-133	
		Abandoning Tools and Services	81-136	
		Sidetracking, Milling Sections, Whipstocks	81-185	
Contract		Miscellaneous Materials	81-217	\$3,500
Contract		Contract Labor, Welding	81-233	\$1,000
Contract		Contract Labor, Other- \$400/24 hour day	81-237	\$15,000
Contract		Contract Services, Living Qtrs - \$100/day	81-243	\$3,500
		Contract Services, Other	81-266	
Contract		Hydrogen Sulfide Testing- \$150/day	81-320	\$4,000
		Spill Control Equipment	81-454	
Contract		Computer Hardware- \$25/day	81-568	\$800
Contract		Commo, Field- \$50/day	81-658	\$1,800
		Regulatory Compliance	81-685	
MOC		Company Labor & Burden- \$375/day	81-750	\$13,000
		Overhead	81-770	
		Indirect Expense	81-779	
TOTAL DRILLING - INTANGIBLE				\$416,600
TOTAL DRILLING COSTS				\$491,100

Region	Mid-Continent	Total Depth	10,800
Field	Travis	Drilling Days	35
Lease	W. B. Travis "15" State Com #1	Compl Days	10
Location	1000' FNL & 950' FEL., Sec. 15, T18S-R28E, Eddy County, NM	AFE#	665296

Source	Quantity	Feature	Cond	A
COMPLETION COST - TANGIBLE				
Purchase	10600	Production Casing	82-15	\$75,000
		Production Liner	82-18	
		Production Liner Hanger & Tieback Equipment	82-21	
Purchase	10600	Tubing - 2 3/8" O.D., 4.7#, L-80	82-23	\$36,000
		Wellhead Equipment (Drilling)	82-80	\$4,500
Purchase		Christmas Tree	82-87	\$9,000
Purchase		Packers	82-137	\$6,000
		Rod Pump	82-143	
		Electric Submersible Pump	82-149	
		Completion Wellhead Equipment	82-167	
TOTAL COMPLETION - TANGIBLE				\$130,500
COMPLETION COST - INTANGIBLE				
Contract		Location and Access	82-1	\$1,500
		Drilling Rig During Completion	82-34	\$11,000
Contract		Blowout Preventer	82-41	\$1,500
		Tools - Drilling & Service	82-45	
		Rig, Completion	82-48	
		Workover Units, Company	82-55	
Contract		Workover Units, Contract	82-56	\$7,500
		Snubbing Units, Company	82-62	
		Coiled Tubing Service Units, Contract	82-67	
		Snubbing Units, Contract	82-68	
		Underreamers, Stabilizers, Hole Openers	82-70	
		Lubricants	82-72	
		Fuel, Diesel	82-74	
		Casing Tools & Services- Longstring	82-90	
		Cement & Cementing Services- Longstring	82-91	\$15,000
		Logging Services, Open Hole Wells	82-93	
Contract		Logging Services, Cased Hole Wells	82-94	\$3,500
Contract		Tubular Inspection, Testing & Cleaning	82-96	\$7,000
Contract		Formation Testing	82-103	\$3,000
Contract		Formation Treating	82-113	\$4,000
Contract		Transportation, Other	82-126	\$3,500
Contract		Test Equipment - Well Testing	82-127	\$7,500
		Fishing Tools and Services	82-133	
Contract		Completion and Packer Fluids	82-180	\$1,000
Contract		Perforating	82-182	\$16,000
Contract		Wireline Services	82-183	\$1,500
		Sidetracking, Milling Sections, Whipstocks	82-185	
Contract		Miscellaneous Materials	82-217	\$3,500
Contract		Miscellaneous Services	82-218	\$7,000
Contract		Contract Labor, Laborer	82-234	\$3,000
Contract		Contract Services, Other	82-240	\$7,400
Contract		Treating Chemicals, Other	82-291	\$1,000
Contract		Salt Water Disposal & Trans Fees	82-371	\$1,000
Contract		Rental Tools & Equip.	82-585	\$4,300
		Communications - Field	82-658	
		Regulatory Compliance	82-685	
MOC		Company Labor & Burden	82-750	\$3,800
		Overhead	82-770	
		Indirect Expense	82-779	\$3,000
TOTAL COMPLETION - INTANGIBLE				\$117,500
TOTAL COMPLETION COSTS				\$248,000

Region Mid-Continent
 Field Travis
 Lease W. B. Travis "15" State Com #1
 Location 1000' FNL & 950' FEL., Sec. 15,
 T18S-R28E, Eddy County, NM

Total Depth 10,800
 Drilling Days 35
 Compl Days 10
 AFE# 665296

Source	Quantity	Feature	Cond	A
FACILITY COSTS				
Purchase	Line Pipe	83-27		\$1,500
Purchase	Transportation, Other	83-126		\$2,500
	Pumping Unit	83-141		
	Pumping Equipment - Rod Pump	83-143		
	Flowing/Plunger Lift Equipment	83-146		
	Submersible Pump - Electric Panel	83-149		
	Submersible Pump - Hydraulic	83-152		
	Gas Lift Equipment	83-155		
	Pumps	83-158		
Purchase	Tanks	83-170		\$10,000
Purchase	Metering Equipment	83-190		\$4,000
	Instrumentation	83-194		
	Electrical Equipment, Other	83-201		
Purchase	Valves	83-205		\$2,500
Purchase	Miscellaneous Materials	83-217		\$10,000
	Contract Labor, Electrical	83-229		
Contract	Contract Labor, Welding	83-233		\$1,000
Contract	Contract Labor, Other	83-237		\$4,000
Contract	Contract Services, Other	83-240		\$2,000
	Compressor Installation	83-365		
Purchase	Dehydration	83-376		\$10,000
	Crude Oil Treaters	83-378		
Purchase	Separator	83-380		\$10,000
	Vapor Recovery Units	83-386		
	Free Water Knockouts	83-388		
	Regulatory Compliance (Includes Permitting)	83-685		
MOC	Company Labor & Burden	83-750		\$2,000
TOTAL FACILITY COSTS				\$59,500
SUMMARY OF GROSS COSTS				
Total Drilling				\$491,100
Total Completion				\$248,000
Total Surface Equipment				\$59,500
GRAND TOTAL GROSS COSTS				\$798,600
SUMMARY OF NET COSTS				
Total Drilling				\$0
Total Completion				\$0
Total Surface Equipment				\$0
GRAND TOTAL NET COSTS				\$0
TOTAL TANGIBLE COSTS				\$234,500
TOTAL INTANGIBLE COSTS				\$564,100
TANGIBLE PERCENT OF TOTAL				29.4%

Participants Approval: { }

Name of Company -

Title -

Date -