

PADILLA & SNYDER

ATTORNEYS AT LAW
200 W. MARCY, SUITE 212
P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

(505) 988-7577

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

February 7, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL OFFSETTING OPERATORS (See attached list)

RE: Notice of Application for An Unorthodox Location
and Dual Completion, of Bill Fenn, Inc., Eddy
County, New Mexico.

Pursuant to the Rules and Regulations of the General Rules of the Oil Conservation Division of New Mexico, notice is hereby given of the above-referenced application. You may protest the enclosed application by appearing at the hearing of this application which will be heard on March 1, 1989, beginning at the hour of 8:15 a.m., at the offices of the Oil Conservation Division, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico.

Very truly yours,


Ernest L. Padilla

ELP:njp

Enclosures: Copy of Application
BEFORE STATE LAND OFFICE List of Offsetting Operators
ON RECEIVED BY: <u>Bill Fenn</u>
Case No. <u>9618</u>

~~EXHIBIT 1-7-89~~
Complete Set

OFFSETTING OPERATORS

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Atten: Mr. Steve Daniels

Hondo Oil & Gas Company
Post Office Box 2208
Roswell, New Mexico 88202

Amoco Production Company
Post Office Box 68
Hobbs, New Mexico 88240

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Marathon Oil Company
Atten: Steve Daniels
P.O. Box 552
Midland, TX 79702

4. Article Number
P-484 032 737

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X *Don Marcell*

7. Date of Delivery
10 FEB 89 CEN

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Amoco Production Company
Post Office Box 68
Hobbs, NM 88240

4. Article Number
P-484 032 736

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X *John J. Fair*

7. Date of Delivery
2-9-89

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

DOMESTIC RETURN RECEIPT

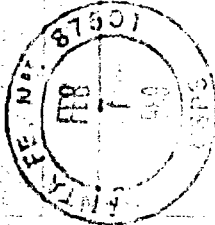
PS Form 3811, Feb. 1986

P-484 032 735

Amoco Prod. Co.

P.O. Box 68

Hobbs, NM 88240



P-484 032 736

Hondo Oil & Gas Co.

P.O. Box 2208

Roswell, NM 88202



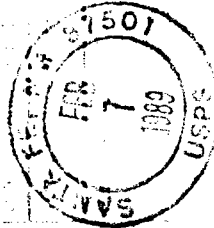
P-484 032 737

Marathon Oil Co.

Steve Daniels

P.O. Box 552

Midland, TX 79702



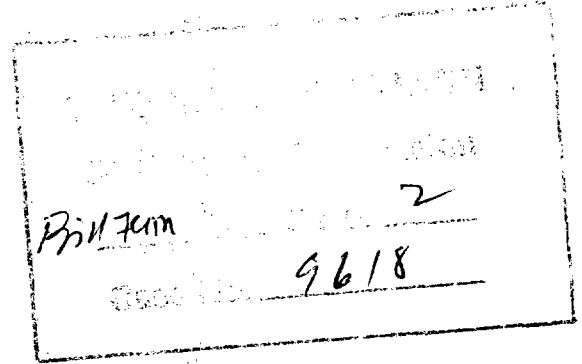


**Marathon
Oil Company**

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

February 27, 1989

Padilla & Snyder
Attorneys at Law
P. O. Box 2523
Santa Fe, New Mexico 87504-2523



Re: Unorthodox Well Location Hearing - Bill Fenn, Inc.
Our Lease NM-1832 - North Indian Basin Unit
NM-1797 - Indian Basin Unit
All of Section 14, T-21-S, R-23-E
Our Indian Basin Area
Eddy County, New Mexico

Gentlemen:

Reference is made to Bill Fenn, Inc.'s Application to the State of New Mexico Oil Conservation Division for an unorthodox well location and dual completion of a Cisco and Morrow test to be located in Section 14, T-21-S, R-23-E, Eddy County, New Mexico.

Please be advised that Marathon will agree to Bill Fenn, Inc.'s proposed unorthodox well location of 1,650' FNL and 990' FWL of Section 14, T-21-S, R-23-E, N.M.P.M., Eddy County, New Mexico, provided that a forty percent (40%) penalty is imposed on the allowable for said well.

Please advise this office should you have any questions concerning the above.

Very truly yours,

MARATHON OIL COMPANY

Steve Daniels
Landman

SMD/mts

cc: Mr. C. R. Hubacher
Mr. J. L. Benson
Mr. L. D. Garcia
Mr. W. T. Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

RECEIVED
FEB 28 1989
RECEIVED

PADILLA & SNYDER

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200 W. MARCY, SUITE 212

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SANTA FE, NEW MEXICO 87504-2523

(505) 988-7577

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

February 27, 1989

VIA TELECOPY

Hondo Oil and Gas Company
Post Office Box 2208
Roswell, New Mexico 88202

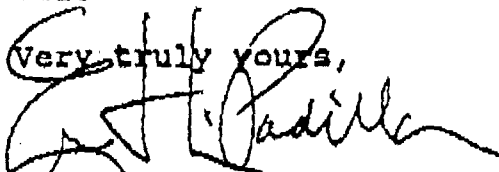
Attention: David Harle
Vice President - Exploration

Re: Application of Bill Fenn, Inc. for Unorthodox
Location and Dual Completion; OCD Case 9618

Dear Mr. Harle:

As you are aware, Bill Fenn, Inc. has reached a compromise with Marathon Oil Company to allow a 40 percent production penalty as to gas production from its proposed well. It is our understanding that you concur with the Bill Fenn, Inc./Marathon compromise.

Please acknowledge your concurrence with the proposed penalty in the space provided below.

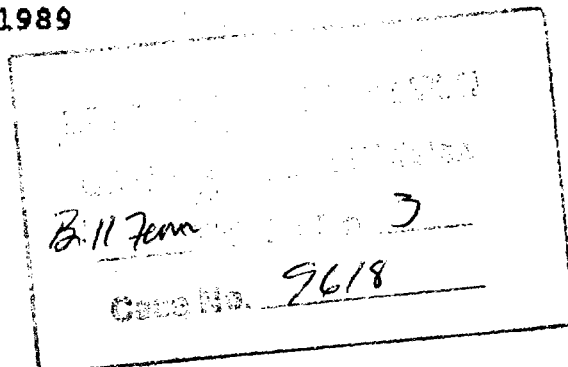
Very truly yours,

Ernest L. Padilla

ELP:njp

cc: Bill Fenn, Inc.
U. S. Operating

Hondo Oil & Gas Company concurs with the Bill Fenn, Inc./Marathon compromise as to the 40 percent penalty.

By: David S. Harle
Title



OTIS COMPLETION GUIDE

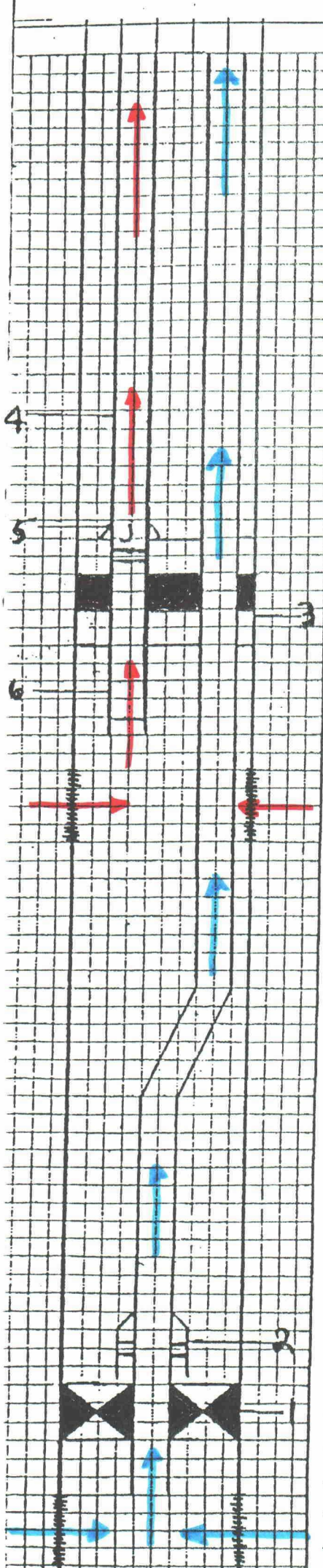
OEC-217-E



OTIS ENGINEERING CORPORATION

A HALLIBURTON Company

PREPARED FOR OBRIEN ENG.	COMPANY BILL FENN	TELEPHONE	DATE 2-23-89
FIELD NAME INDIAN BASIN	WELL NAME ROARING SPRINGS	COUNTY EDDY	STATE NM
CASING SIZE 7"	WEIGHT ?	GRADE	THREAD
LINER SIZE	WEIGHT	GRADE	THREAD
TUBING SIZE	UT	MT	LT THREAD



DESCRIPTION	I.D.	O.D.	LENGTH	ESTIMATE OR DEPTH
1. 7" OTIS PERMA LACH				4488 ⁰⁰
2. OTIS TUBING SEAL DIVIDER				1688 ⁰⁰
3. RDH PACKER 7"				7862 ⁰⁰
4. SHORT STRING				
5. J-LATCH SEAL ASSEMBLY				
6. 2 3/8 'N' NIPPLE 6.875 x 1.791				260 ⁰⁰
TOTAL				14298 ⁰⁰
LESS DISCOUNT				1716 ⁰⁰
NET TOTAL				12582 ⁰⁰

7. INDIAN BASIN - UPPER PENNSYLVANIAN GAS POOL

NOTE: NO ALLOWANCE MADE FOR BLAST JOINTS DUE TO UNKNOWN INTERVAL LENGTH

BEFORE EXAMINATION BY
Oil Conservation Division
Bill Fenn Exhibit No. 4
Case No. 9618

8. INDIAN BASIN - MORROW GAS POOL

TOTAL ESTIMATE

PREPARED BY LARRY BELEW	OFFICE HOBBS, N.M.	TELEPHONE 392-881
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