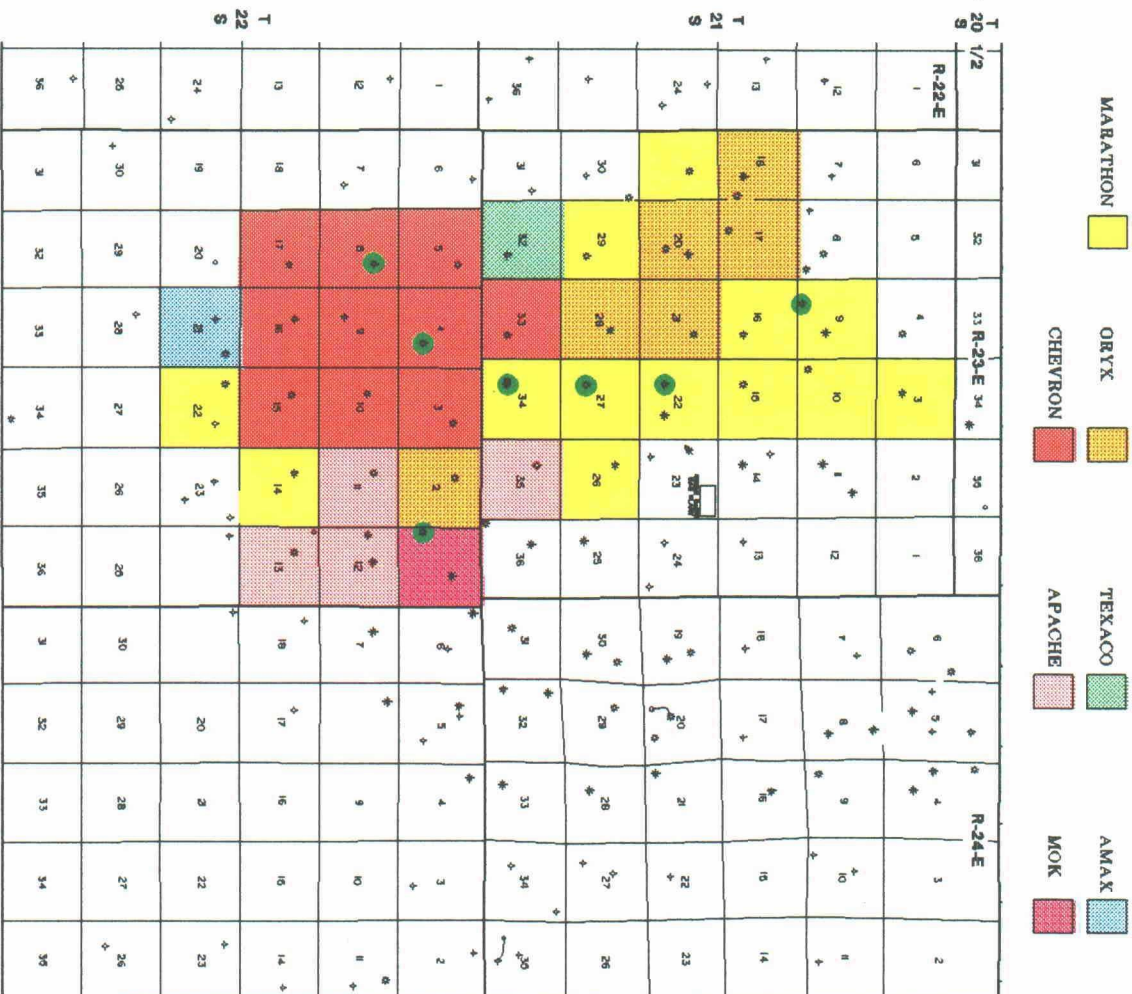
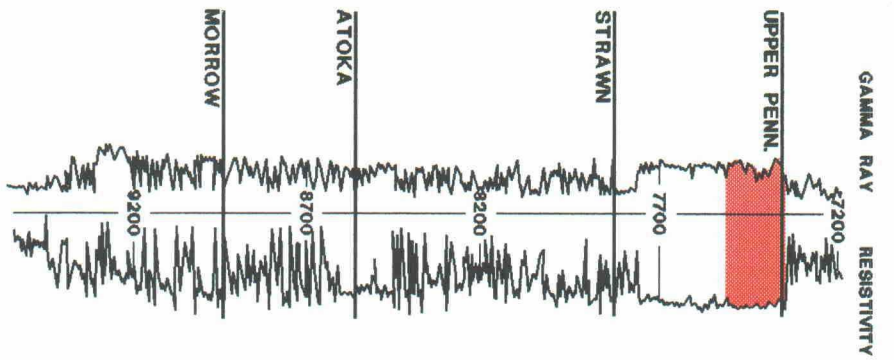


Marathon Exhibits 1 through 11

TYPE LOG



**MARATHON OIL COMPANY
MID-CONTINENT REGION
INDIAN BASIN
FIELD**

EDDY COUNTY, NEW MEXICO

OPERATOR MAP

MARGINAL WELL
 NON-MARGINAL WELL



INDIAN BASIN OPER

Before The
OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

Case No. 10450 Exhibit No. 1

Submitted by: Marathon Oil Company

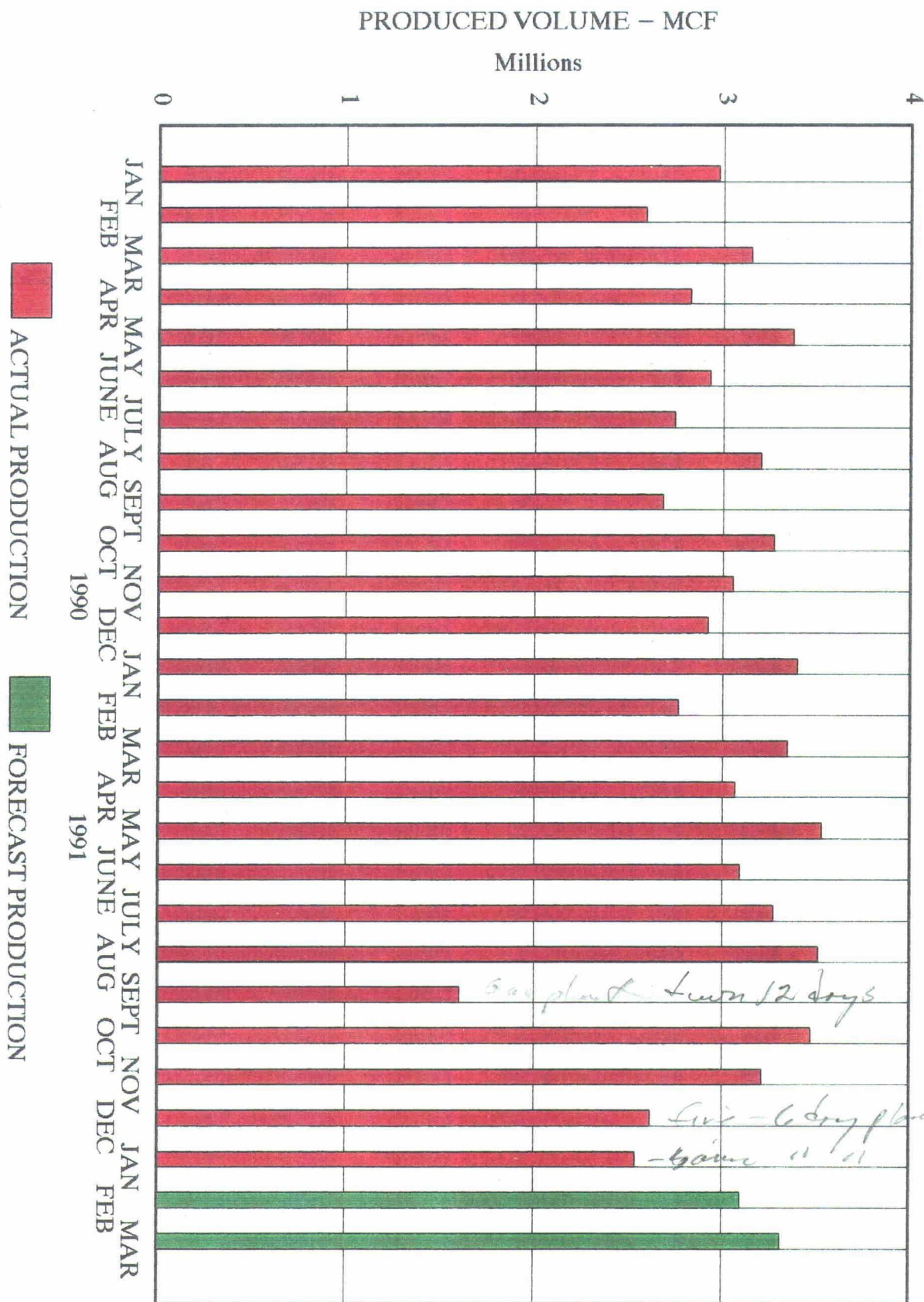
Hearing Date: 2/27/92

11/91



INDIAN BASIN FIELD GROSS GAS PRODUCTION

UPPER PENN RESERVOIR



Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 2
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92



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

February 14, 1992

To all Operators
Indian Basin Upper Penn Pool
Eddy County, New Mexico

**Re: Upcoming NMOCC Allowables Hearing
Proposed Indian Basin Upper Penn Pool Allowables**

Gentlemen:

Marathon has reviewed the preliminary allowable estimates recently issued by the New Mexico Oil Conservation Division which will provide the starting point for the hearings scheduled for February 27, 1992 on gas allowables for the upcoming allocation period (April 1992 - September 1992). Marathon intends to propose at the hearings that a sufficient positive adjustment be made to the preliminary monthly pool allowable for the Indian Basin Upper Penn Pool in order to increase the monthly acreage allocation factor (F1 factor) for Indian Basin Upper Penn non-marginal wells, from the 121,000 mcf per month set out on the preliminary table, to 205,000 mcf per month (sales).

To the best of Marathon's knowledge, such an F1 factor, if adopted, would allow all non-marginal wells in the field (with an acreage factor of 1.00) to produce to their full capabilities. Marathon intends to produce its wells through the coming allocation period at the highest level which the Oil Conservation Commission will approve. Marathon has the markets to sell the additional gas which would be produced under its proposal, and believes that the other operators in the field would be able to find purchasers for their additional production as well. The transportation systems which serve the field are more than adequate to deal with the additional production which would result from the adoption of Marathon's proposal. No operator, whether it operates marginal or non-marginal wells, would have its ability to market its gas inhibited by Marathon's proposal.

Marathon asks that you support its request to increase the allowables for the Indian Basin Upper Penn pool. If at all possible, Marathon asks that you provided it with a letter prior to February 27, 1992 whereby you indicate your support for Marathon's proposal. If you have any questions with regard to Marathon's proposal, please feel free to call, Marathon Senior Reservoir Engineer, Ron Folse, at (915) 687-8240.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. N. Tipton'.

T. N. Tipton
Engineering Manager

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 3
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

TCL7/le



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

February 21, 1992

Via Fax

Mr. Larry VanRyan
Chief Engineer
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

**Re: Upcoming NMOCC Allowables Hearing
Proposed Indian Basin Upper Penn Pool Allowables**

Dear Mr. VanRyan:

Since my letter to you dated February 14, 1992, with regard to adjustments which Marathon plans to propose at the February 27, 1992 gas allowables hearing to the preliminary allowables for the Blinbry and Indian Basin Upper Penn Pools, Marathon has further reviewed the preliminary allowable estimates issued by NMOCC on February 7, 1992. The proposal set out in my February 14 letter as to the appropriate F1 factor for the non-marginal wells in the Indian Basin Upper Penn Pool, was based upon the belief that the allowable estimate was calculated using sales of residue gas at the tailgate of the Indian Basin Gas Plant, as opposed to volumes of gas actually produced at the wellhead. Upon examining production and sales figures for the prorated wells at Indian Basin, Marathon has now concluded that the preliminary allowable estimate for the Indian Basin Upper Penn Pool was calculated using wellhead production and not gas plant tailgate sales.

Based on this conclusion, Marathon began a second review of the estimate by analyzing the figure for the Indian Basin Upper Penn Pool set out in line 1 of the chart, designated as average monthly pool sales for April 1991 through September 1991. This figure appears to be an accurate average of monthly pool production for that period. However, because the Indian Basin Gas Plant was down for 12 days in September, 1991 for plant turnaround, and thus all of the wells in the pool were shut-in during that period of time, utilizing a six month average of pool production in this line of the chart does not accurately represent what the wells were capable of producing or what the producers were able to sell during that period of time. Marathon suggests that true producing capacity and market demand is better reflected in the monthly average for the five month period of April 1991 through August 1991. This average is 3,295,979 mcf per month, which is 268,299 mcf per month over the six month average of 3,027,680 mcf per month. Marathon proposes making a positive adjustment for the Indian Basin Upper Penn Pool in line 3 of the allowables chart of 268,299 mcf per month, to take into consideration the gas plant shut down. In addition, Marathon proposes a second positive adjustment in line 3 of 119,089 mcf per month in order that the monthly pool allowable in line 4 may be raised to 3,415,068 mcf per month. The purpose of this second adjustment is to cause the F1 factor in line 8 to be increased to 232,000 mcf per month.

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 4
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

Mr. Larry VanRyan
February 21, 1992
Page 2

Marathon has committed much effort in 1990 and 1991 to increasing production from the wells that it operates in the Indian Basin Upper Penn Pool. These efforts have been quite successful and production from Marathon's wells has been substantially increased over that period. Marathon has continued in 1992 to make changes in its operations at Indian Basin to further increase production. The end result of this work is that Marathon's Indian Basin "D" 1 Well is now the best producing well in the field, and, Marathon believes, will be capable in the coming allocation period of making 232,000 mcf of gas per month.

Because there are presently no constraints on getting this increased production to market, and demand for the gas exists, Marathon believes it should be permitted the opportunity to reap the benefits of its commitment to increasing production from the pool. Therefore, Marathon proposes the adjustments to the preliminary allowable estimates described above that would result in an F1 for the non-marginal wells in the Indian Basin Upper Penn Pool of 232,000 mcf of gas per month. A wellhead production of 232,000 mcf of gas per month will result in approximately 205,000 mcf per month in residue gas sales from the tailgate of the gas plant, which was the F1 proposal set out in my previous letter.

In order that we may answer any questions you may have regarding Marathon's proposal and what it intends to present at the hearings next week, I will have Marathon Senior Reservoir Engineer, Ron Folse, call you on Monday, February 24, to further discuss Marathon's proposal. Please also feel free to call Ron yourself at (915) 687-8240.

Sincerely,



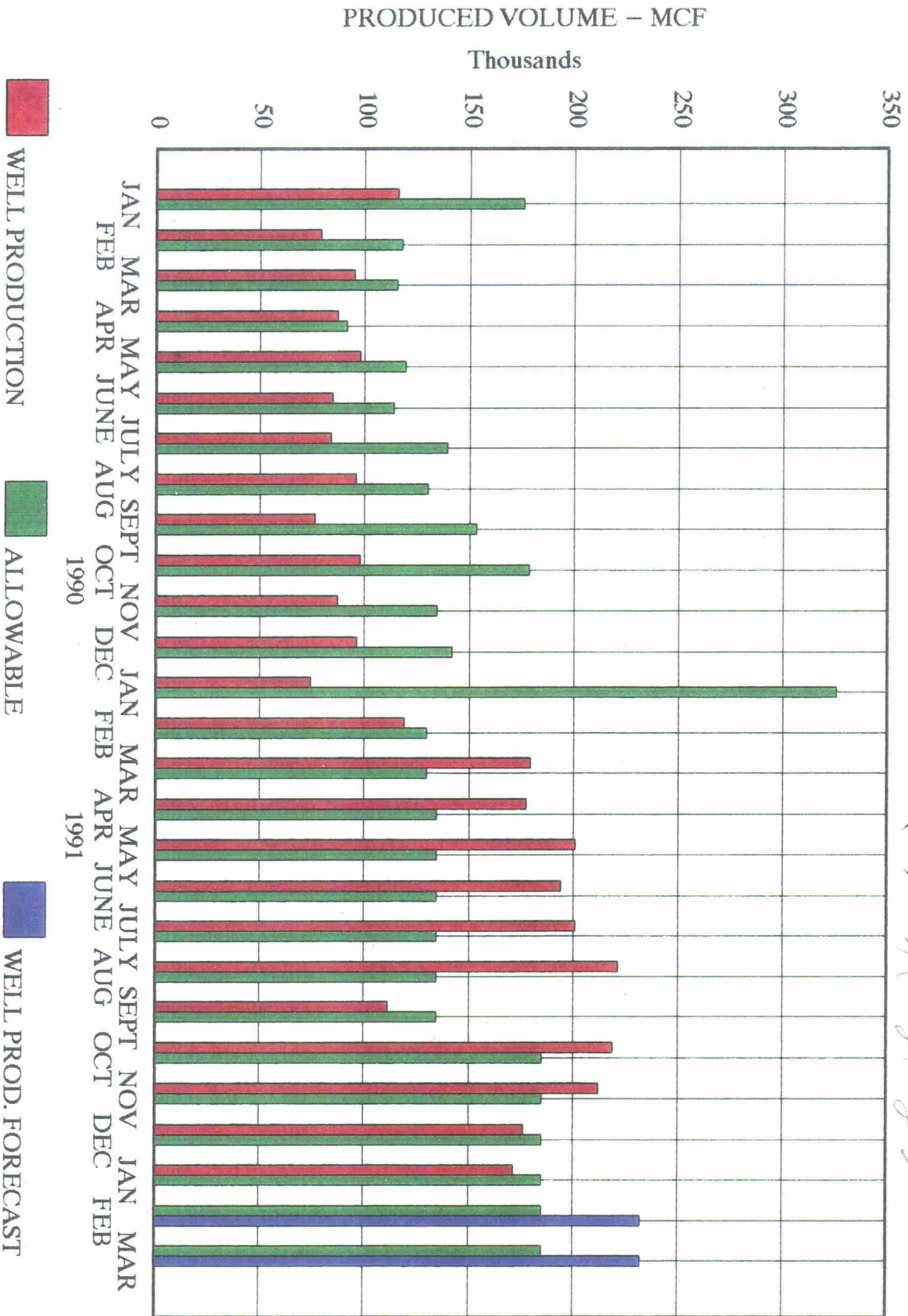
T. N. Tipton
Engineering Manager

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INDIAN BASIN FIELD

INDIAN BASIN D 1 (234)

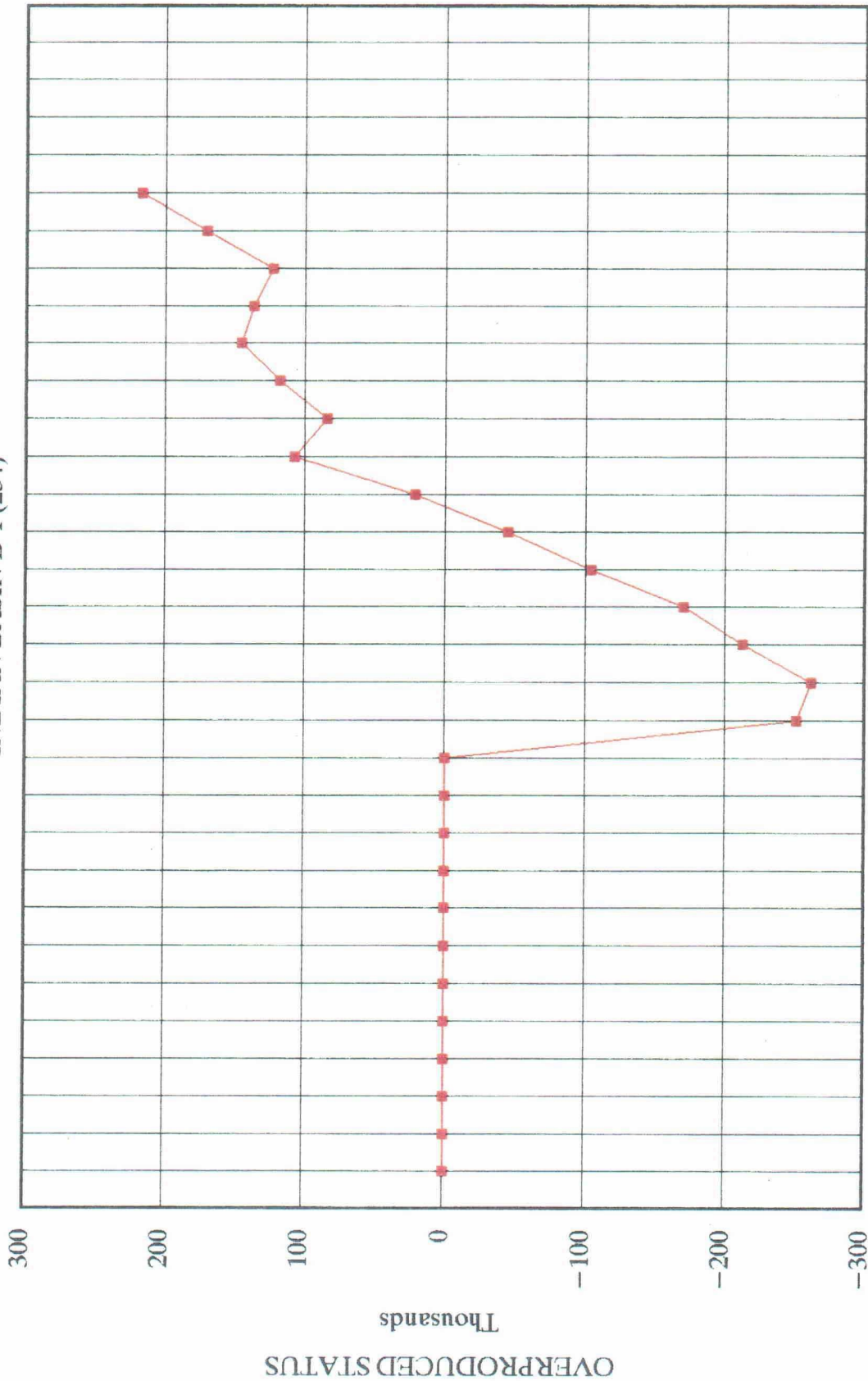
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* MARGINAL WELL JAN. 1990 TO SEPT. 1991

INDIAN BASIN FIELD

INDIAN BASIN D 1 (234)



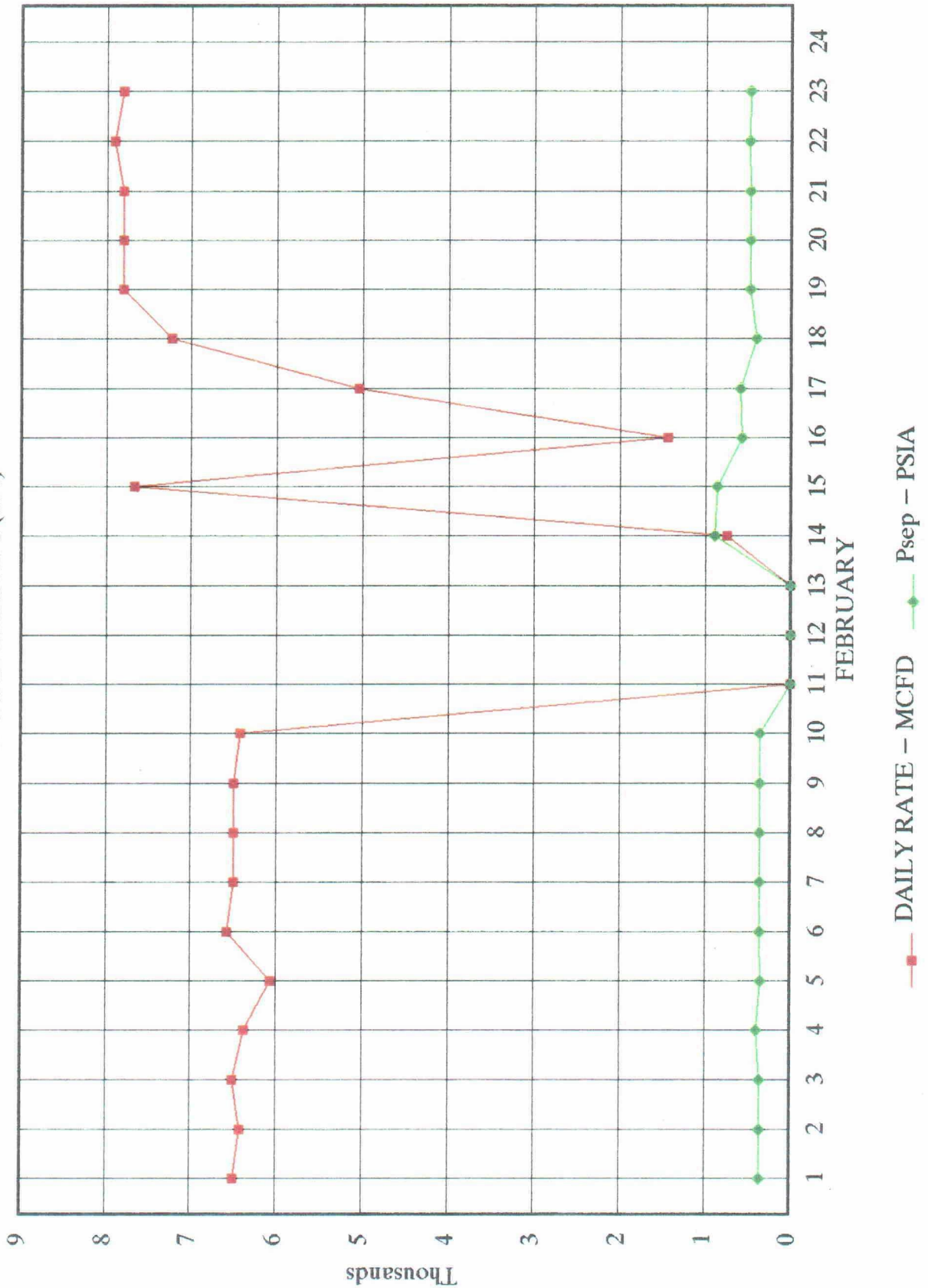
JAN MAR MAY JULY SEPT NOV JAN MAR
FEB APR JUNE AUG OCT DEC FEB

1990 1991

* MARGINAL WELL JANUARY 1990 - SEPTEMBER 1991

INDIAN BASIN FIELD

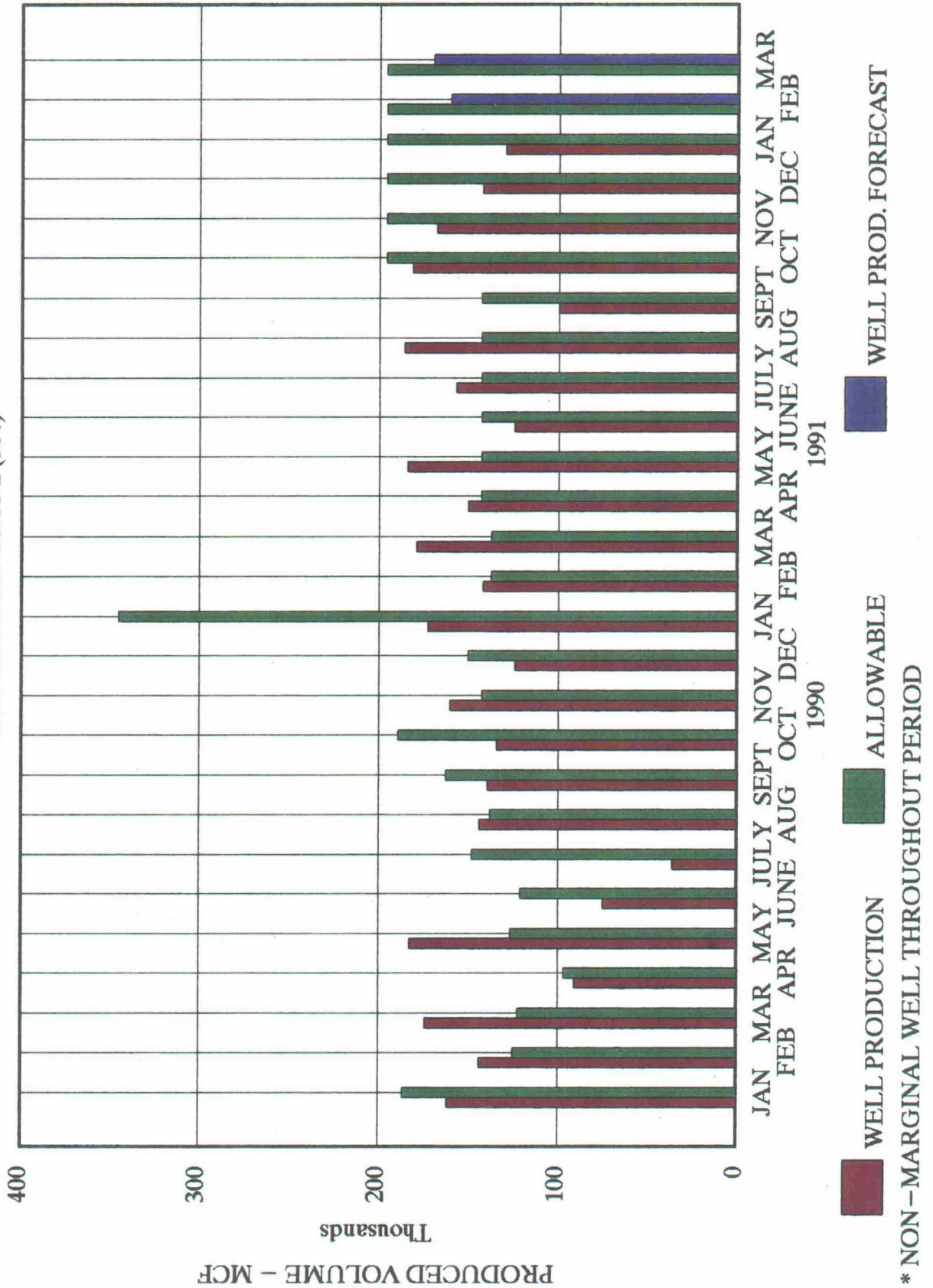
INDIAN BASIN D 1 (234)



Before The
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Case No. 10450 Exhibit No. 8
 Submitted by: Marathon Oil Company
 Hearing Date: 2/27/92

INDIAN BASIN FIELD

BOGLE FLATS UNIT 2 (304)

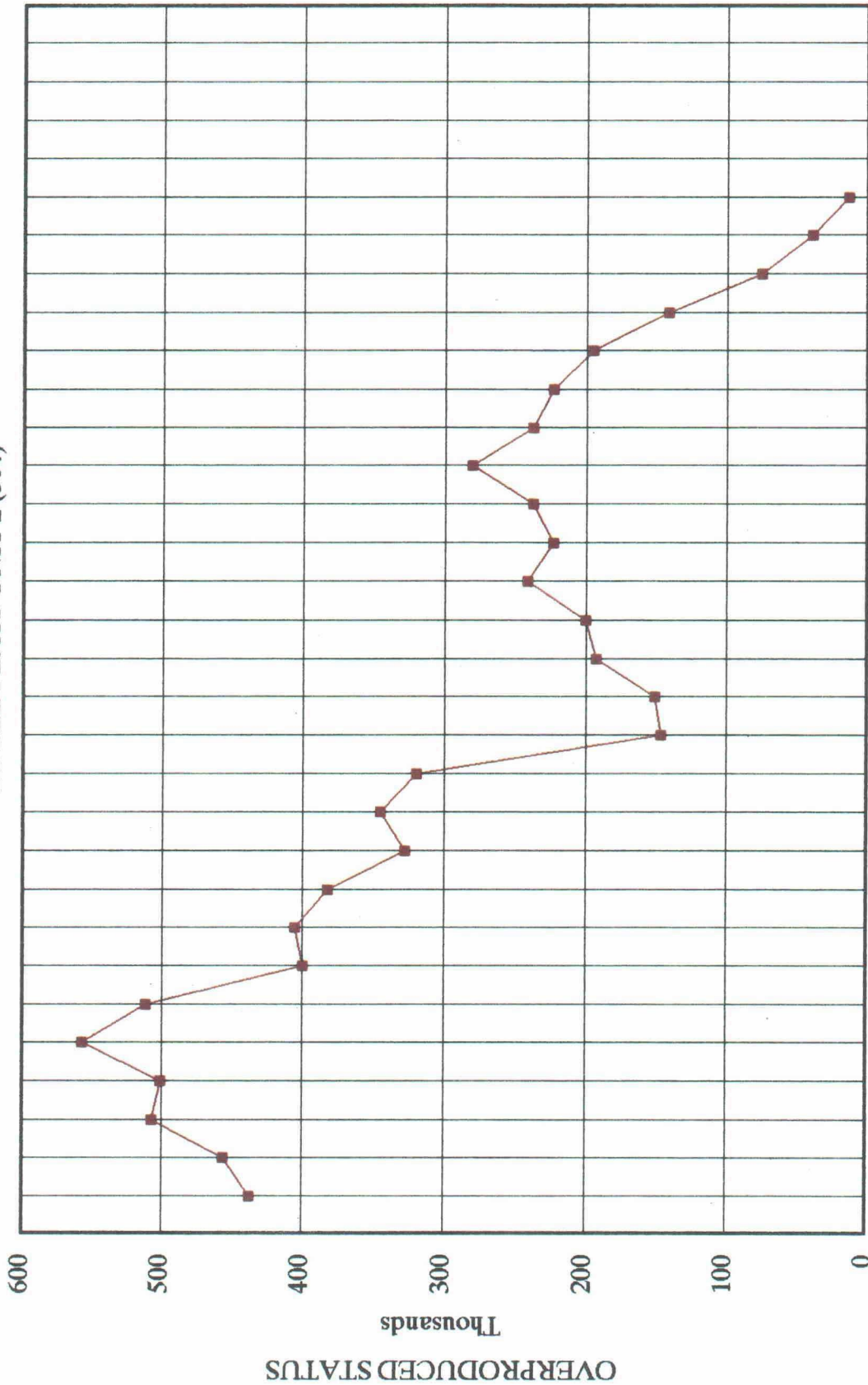


* NON-MARGINAL WELL THROUGHOUT PERIOD

Before The
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Case No. 10450 Exhibit No. 9
 Submitted by: Marathon Oil Company
 Hearing Date: 2/27/92

INDIAN BASIN FIELD

BOGLE FLATS UNIT 2 (304)



JAN MAR MAY JULY SEPT NOV JAN MAR
 FEB APR JUNE AUG OCT DEC FEB

1991

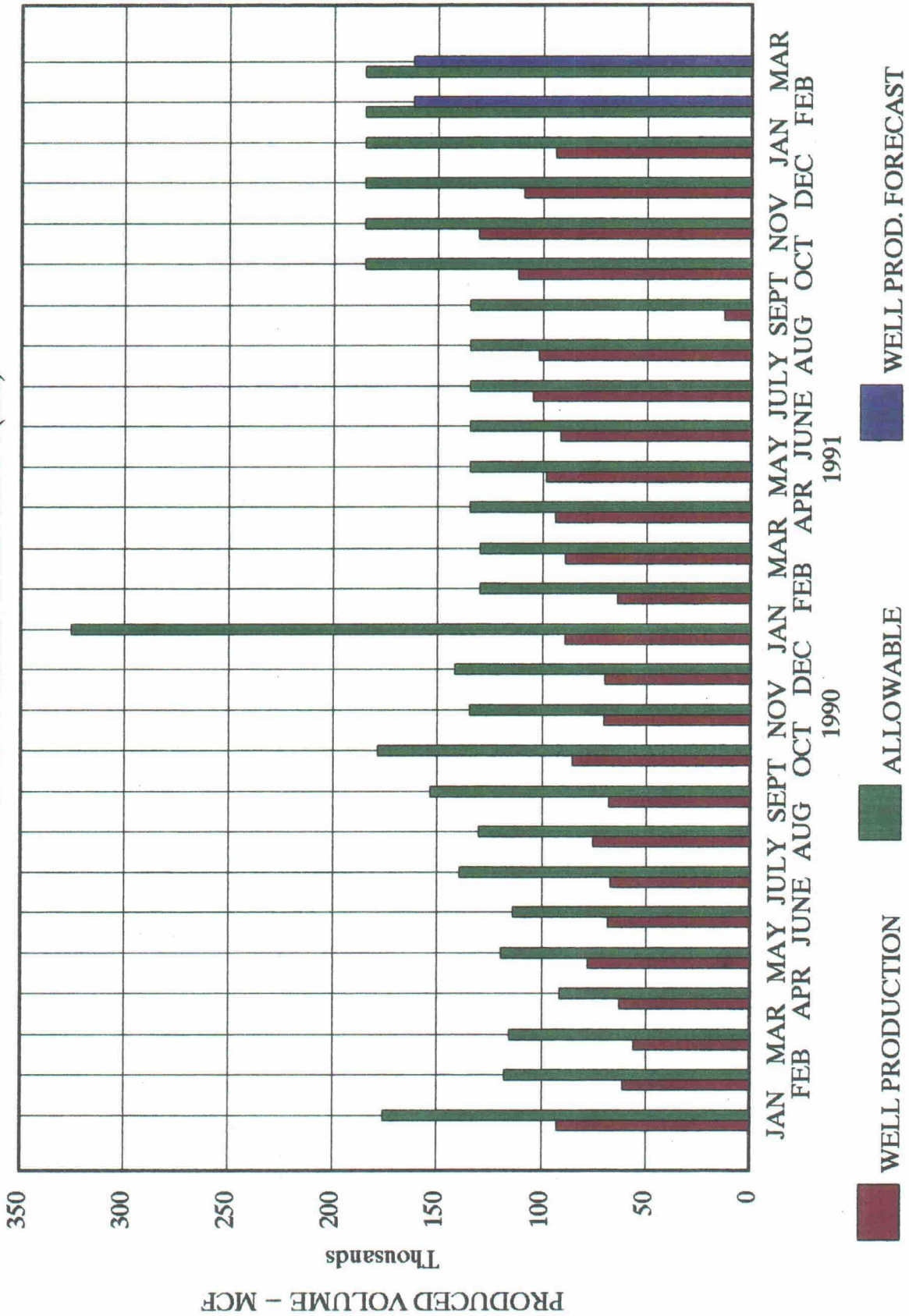
1990

* NON-MARGINAL WELL THROUGHOUT PERIOD

INDIAN BASIN FIELD

NORTH INDIAN BASIN UNIT 4 (216)

16-21-23



Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 11
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIAN BASIN FIELD

CAPITAL AND EXPENSE COSTS
ASSOCIATED WITH PRODUCTION ENHANCEMENTS

ADDITIONAL PERFORATIONS ADDED IN SIX WELLS	\$300,245
UPGRADE FIVE PRODUCTION UNITS	\$425,000
FIVE ADDITIONAL WELLHEAD COMPRESSORS INSTALLATION COSTS	\$ 50,000

TOTAL COSTS	\$775,245