Production Operations, United States



P.O. Box 1324 Artesia, NM 88211-1324 Telephone 505/457-2621

February 1, 2008

FEB 07 ZUUB OCD-ARTESIA

To Whom It May Concern: REH

Marathon Oil Company has received a letter concerning the idle well - Federal IBB Gas Com #1. The letter received from the New Mexico Oil Conservation Division shows the last test for this well being 10/1/2006, however, our production records show the last test for this well occurred on 12/23/2006.

An AFE was created to place the Federal IBB Gas Com #1 on production by the means of rod pump. This AFE has been approved internally, and also by partners. Since approval, plans have been made to rent a portable pumping unit due to arrive on location February 5, 2008. With this portable pumping unit Federal IBB Gas Com #1 will be placed back on production by no later than 2/8/08. With the data provided from the portable pumping unit an in depth economic evaluation will take place. Should this well be deemed uneconomical to produce there will be a well review meeting to determine whether there are any other potential pay zones, or a procedure will be made to plug and abandon the well bore.

Please call if you have any questions or concerns.

Sincerely,

T.L. Breninger

Operation Superintendent

Thomas of Bleninger

Marathon Oil Company – Permian Basın Operations

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Email: tlbreninger@MarathonOil.com

State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

DISTRICT IV

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

□ AMENDED REPORT

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103080			BURNETT OIL COMPANY						3701	
Surface Location										
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Bottom Hole Location If Different From Surface										
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