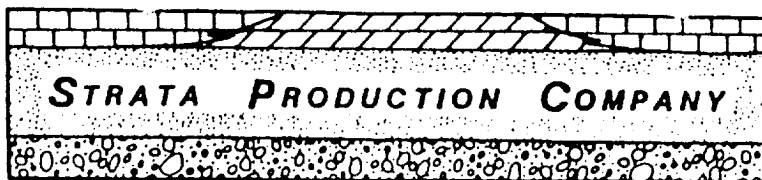


GEORGE L. SCOTT, JR.  
FRANK S. MORGAN  
JAMES G. MCCLELLAND



648 PETROLEUM BLDG.  
ROSWELL, N.M. 88201  
(505) 622-1127  
(505) 622-5891  
**RECEIVED**

November 27, 1989

**DEC 18 '89**

To: Offset Operators  
Marathon  
Hondo Oil & Gas, Inc.  
Oryx Energy Corporation  
Siete Oil & Gas, Inc.  
Santa Fe Energy  
Petroleum Corporation, Inc.

G. C. D.  
ARTESIA, OFFICE

Re: Notification of Deviated Wellbore  
Chaparrall State # 1  
Sec. 32, T-19-S, R-29-E  
Eddy County, New Mexico

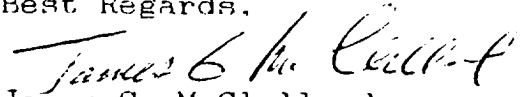
Gentlemen:

Enclosed you will find a copy of Form C-101 (APL) submitted to the State of New Mexico concerning the sidetracking of the above mentioned well.

In a recent re-entry of this well, Strata made an unsuccessful attempt to get into a casing stub at 8069'. After evaluation, it is Strata's intention to sidetrack by setting a cement plug over the stub and directionally drilling around the obstruction. The new bottom hole location should be approximately 1880' FNL & 860' FWL. (See enclosed diagram)

Please indicate your approval of this operation by signing and returning a copy of this notice to Strata at the letterhead address or via telefax at (505) 623-3533. If no opposing notice is received within 20 days from the letterhead date, we will assume your concurrence and will proceed.

Best Regards,

  
James G. McClelland  
Vice President - Administration  
505-622-1127

☒ Yes, we approve, please continue.

☐ No, we do not approve, please contact me.

APPROVED BY: STEVE DANIELS  
NAME-TITLE

MARATHON  
COMPANY

VERBALLY APPROVED VIA TELEPHONE CONVERSATION w/ JG. McClelland.  
12-13-89.