

Southern U.S. Business Unit
Domestic Production



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

August 31, 2001

New Mexico Oil Conservation Division
Attn: Mr. Tim Gum
1301 W. Grand Avenue
Artesia, New Mexico 88210

23-21-23



RE: Indian Basin Gas Com No. 1, API #30-015-00037
Inspection No. iGEG0122036327

Dear Mr. Gum:

In reference to your Notice of Violation letter dated August 8, 2001, Marathon Oil Company respectfully requests a 60 day extension to the "Corrective Action" date of 8/31/01 shown in your letter. As we discussed in our phone conversation yesterday, this well cannot be returned to disposal service due to a stipulation in the SWD permit for the replacement acid gas well, AGI No. 1 SWD, that requires Marathon to discontinue injection into the subject well as soon as injection was initiated in the AGI No. 1 SWD. Marathon shut the Indian Basin Gas Com No. 1 SWD in as of January 24, 2001. The well can't be returned to production because of stalled negotiations on the Joint Operating Agreement for this well. Marathon has been evaluating the Mississippian in this area and would like to use this wellbore for a Wildcat Mississippian test, however it will be sometime next year before that can take place. We know there is a leak, but do not believe there is an actual casing integrity problem because the gas in the wellbore is sweet, which leads us to believe that the Morrow perms, that were squeezed in 1991, are where the leak is. The requested extension will give Marathon time to get a rig free, isolate the leak, set a plug, and conduct a mechanical integrity test on the well.

Thank you for your consideration of this request. If you have any questions, please call me at (915) 687-8321.

Sincerely,

A handwritten signature in cursive script that reads 'Ginny Larke'.

Ginny Larke
Engineer Technician
Indian Basin Asset Team