



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
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Director
Oil Conservation Division

July 19, 2001

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Ginny Larke
Engineering Technician

Re: *Indian Hills Unit Well No. 1 (API No. 30-015-10066) location within Section 21,
Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.*

Dear Ms. Larke:

Per my review of your letter dated June 21, 2001 concerning the official survey/resurvey of Section 21 as it relates to Marathon's Indian Hills Unit Well No. 1. Lets first address a couple of issues that really stand out in this matter.

- (1) What about the Indian Hills unit agreement, does it have 100% participation or not?
- (2) Was this wellbore ever sidetracked and directionally drilled? If so, lets see a wellbore diagram, and directional survey and report.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia