

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 3:	E/2
Section 10:	E/2
Section 15:	E/2

AND THE concomitant contraction of the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico by deleting therefrom:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 3:	E/2
Section 10:	E/2
Section 15:	E/2.

(6) In conjunction with the proposed adjustment to the boundaries of the two subject pools, Marathon seeks to establish three 320-acre, more or less, gas spacing and proration units within the Indian Basin-Upper Pennsylvanian Gas Pool within Sections 3, 10, and 15, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, whereby (i) Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of said Section 3, comprising 320.32 acres, is to be dedicated to the existing North Indian Basin Unit Gas Com Well No. 3 (**API No. 30-015-10557**), located 1650 feet from the South line and 2310 feet from the West line (Unit K) of said Section 3; (ii) the W/2 of said Section 10, comprising 320 acres, is to be dedicated to the existing North Indian Basin Unit Well No. 1 (**API No. 30-015-10068**), located 660 feet from the South and West lines (Unit M) of said Section 10; and, (iii) the W/2 of said Section 15, comprising 320 acres, is to be simultaneously dedicated to the existing Federal IBA Gas Com Well No. 1 (**API No. 30-015-10556**) located 1650 feet from the South and West lines (Unit K) of said Section 15 and the North Indian Basin Unit Gas Com Well No. 32 (**API No. 30-015-29305**) located 1750 feet from the North line and 1650 feet from the West line (Unit F) of said Section 15.

(7) The resulting unorthodox gas well location for the above-described North Indian Basin Unit Gas Com Well No. 3 in Unit "K" of said Section 3 due to the proposed acreage and pool rededication causes results in this well being only 330 feet from the outer boundary of its newly designated 320.32-acre GPU and would require proper authorization pursuant to the appropriate rules and regulations governing the Indian Basin-Upper Pennsylvanian Gas Pool.

(8) Marathon is the operator of the following three standard 640-acre, more or less, gas proration and spacing units within the Indian Basin-Upper Pennsylvanian Gas