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August 26, 2000

**CERTIFIED MAIL -
RETURN RECEIPT REQUESTED**

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

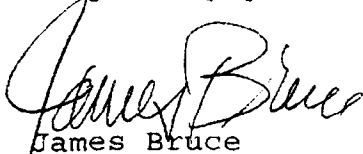
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Chevron U.S.A. Inc.
15 Smith Road
Claydesta Plaza
Midland, Texas 79705

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the Oil Conservation Division by Kerr-McGee Oil & Gas Onshore LLC, requesting that a production penalty be eliminated from the well unit (Indian Basin Upper-Pennsylvanian Gas Pool) comprising all of Section 2, Township 22 South, Range 23 East, N.M.P.M., Eddy County, New Mexico. If you object to the application, you must notify the Division in writing no later than Friday, September 15, 2000. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505 (attention: Michael E. Stogner).

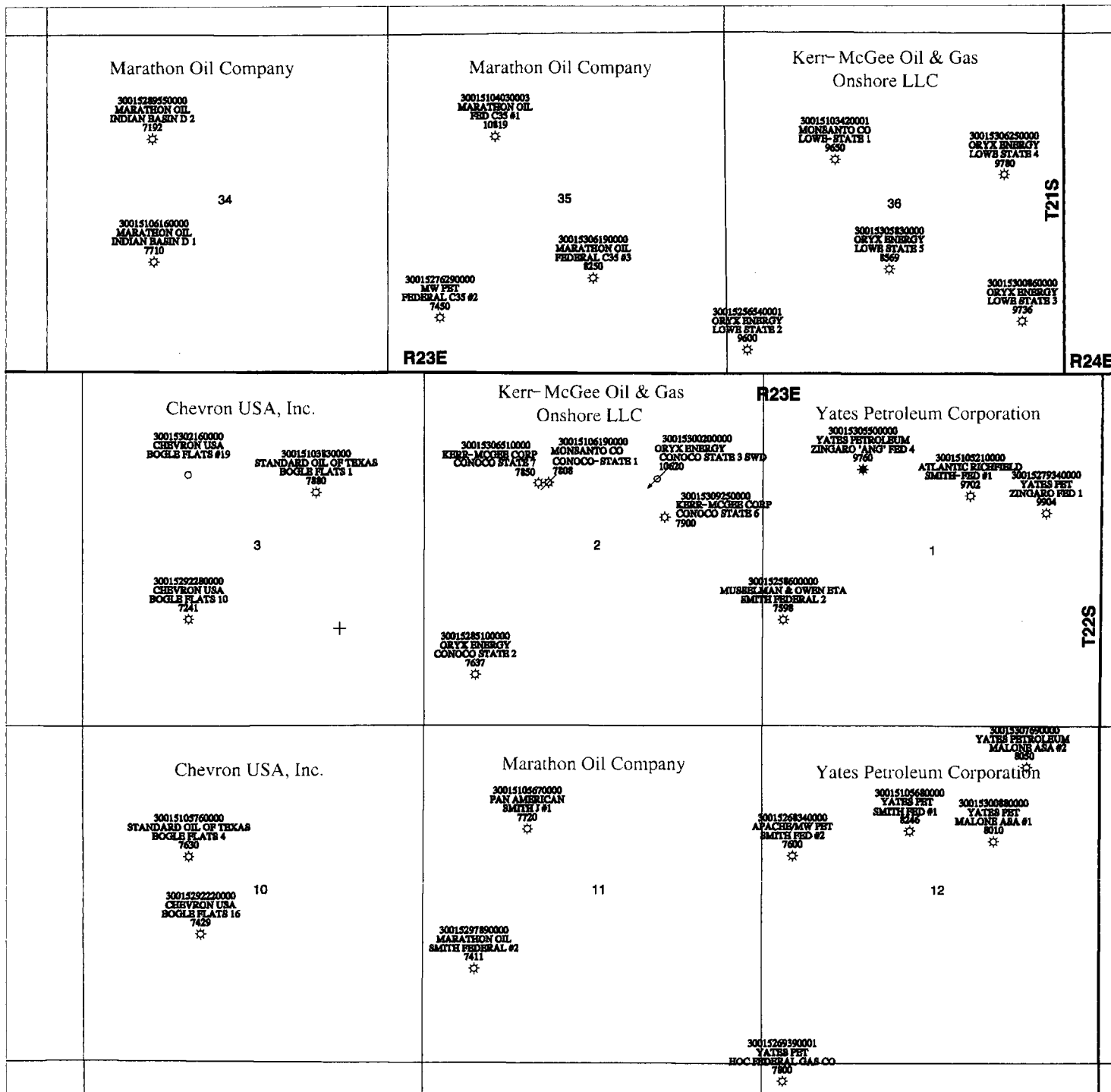
Very truly yours,



James Bruce

Attorney for Kerr-McGee
Oil & Gas Onshore LLC

cc: Michael E. Stogner



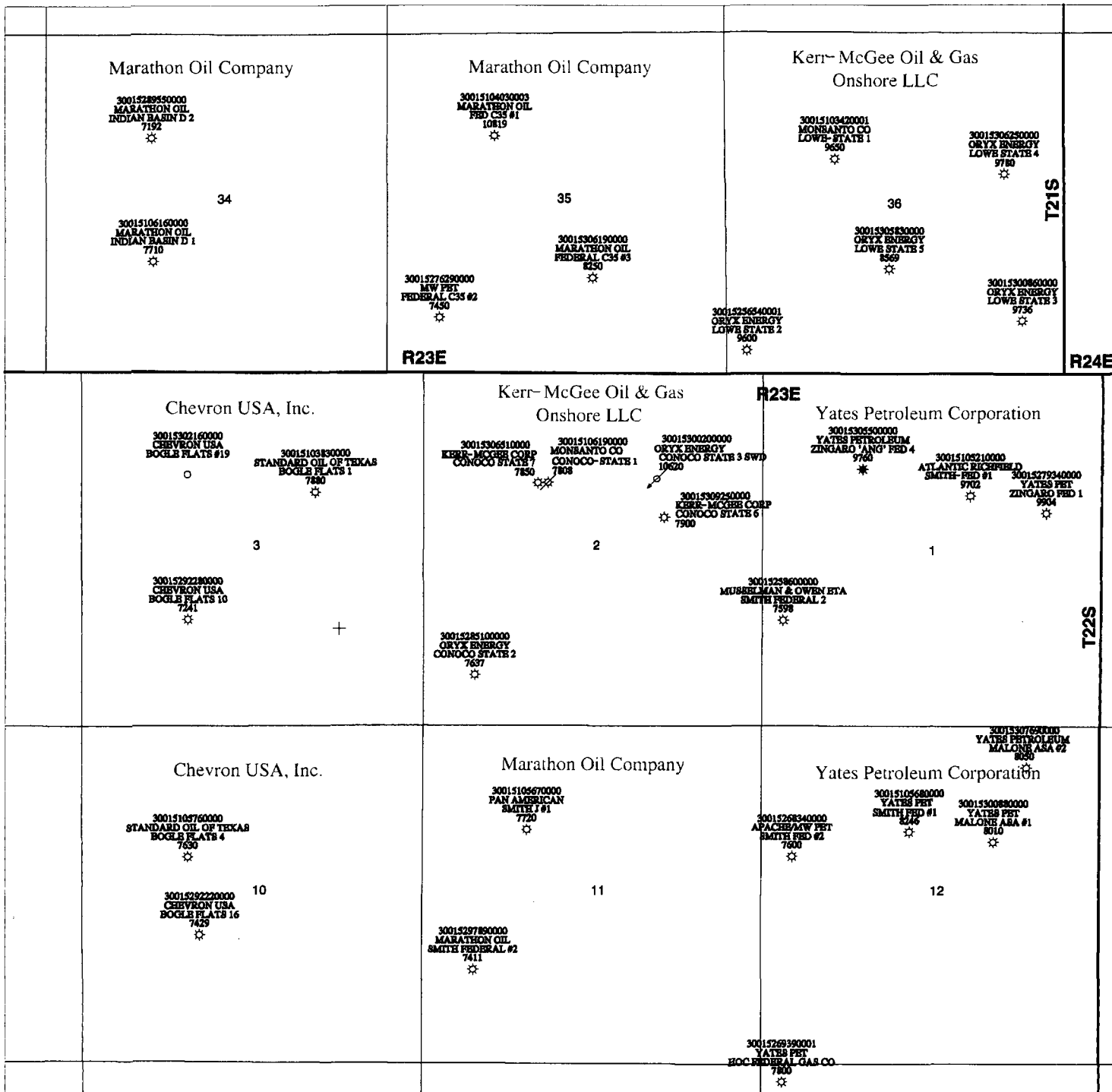
KERR-MCGEE CORPORATION
 EXPLORATION AND PRODUCTION DIVISION

Indian Basin
 Eddy County, New Mexico
 8 sections adjoining Conoco State Lease
 section #2, T22S-R23E
 Operator in red

DATE

STATE

DATE 25 - AUG-2000



FEET 0 1000 2000 FEET
STATUTE MILES 0 1 2 3 4 5 STATUTE MILES



 KERR-MCGEE CORPORATION EXPLORATION AND PRODUCTION DIVISION	
Indian Basin Eddy County, New Mexico 8 sections adjoining Conoco State Lease section #2, T22S-R23E Operator in red	
DATE	REV 23 - AUG-2000