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August 26, 2001

Mr. David Catanach
Oil Conservation Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

APR 30 2001

RE: **South Eunice (7 Rivers/ Queen) Unit, Lease A-2614**
Lea County, New Mexico

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval to restore injection in six wells in the above referenced lease. The well numbers are 102, 202, 405, 410, 412, and 414.

The subject lease was unitized on 12/1/71. The approval included injection through eight wells (well nos. 420, 421, 423, 425, 426, 427, 602, and 605) by Order No. R-4217 dated 11/4/71 (see attachment 1). This order also gave the Secretary-Director the authority to approve the expansion of the waterflood to include additional wells (see attachment 2).

Injection commenced 11/7/72. In 1975, fourteen additional wells were approved and converted to injection (well nos. 102, 202, 401, 404, 405, 408, 410, 411, 413, 414, 433, 502, 504, and 702). In 1992, three more wells (well nos. 409, 412, and 415) were approved and converted to injection (Case No. 10570).

The lease contains twenty-five injectors, nineteen of which are currently active. The six subject wells were shut-in about 1-1/2 years ago due to the lack of water availability. The waterflood has been operational since 1972.

Also enclosed is an updated map indicating the subject wells. There have been no new wells drilled within 1/4 mile of any of these six wells since the last group of producers were converted to injection in early 1992. Marathon would like to resume injection in the six subject wells.

Please contact me if you have any questions, or if additional information is necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Tim L. Chase'.

Tim L. Chase
Advanced Engineer Technician
915/687-8408
TChase@MarathonOil.com

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE