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RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

March 15, 1996

HAND DELIVERED

Mr. William J. LeMay, Director
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87502

RECEIVED

MAR 1 1996

Oil Conservation Division

Re: Request to continue to produced overproduced non-marginal wells pending hearing to terminate prorationing in the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico

Dear Mr. LeMay:

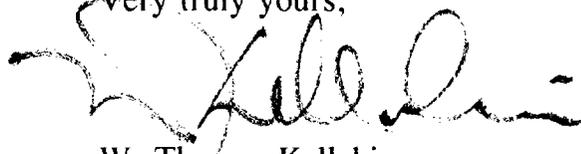
On behalf of Marathon Oil Company and Kerr-McGee Corporation, I am preparing to file on March 22, 1996 an application to terminate prorationing in the Indian Basin-Morrow Gas Pool.

As I advised you on March 5, 1996, there are non-marginal wells in this pool which are more than six times overproduced and which have been shut-in. Since that meeting, Marathon has polled the other operators in the pool concerning this and other issues. Enclosed are copies of the responses to the questionnaire.

The purpose of this letter is to request your permission to inform the operators in the pool that at they may continue to produce these non-marginal wells and accumulate overproduction in excess of the six times over rule until such time as the Division enters an order upon this application. In the event the Division grants the application, the overproduction will be canceled. In the event the Division denies the application then the operators will have to make up any overproduction.

As confirmed in the enclosed questionnaire responses, there is no opposition to granting this request. Accordingly, I would appreciate you granting this request.

Very truly yours,



W. Thomas Kellahin

cc: Marathon Oil Company
Attn: Thomas C. Lowry
cc: Kerr-McGee Corporation
Attn: Dave Henke