

GARVIN 22 STATE NO. 1
S/2 Section 22, T-18-S, R-28-E,
Eddy County, New Mexico

SUMMARY OF OPERATING AGREEMENT OVERHEAD RATES IN
T-18-S, R-28-E, N.M.P.M., EDDY COUNTY, NEW MEXICO

1. Operating Agreement dated February 6, 1997, Mewbourne Oil Company, Operator, and Marathon Oil Company, et al, Non-Operators, covering S/2 Section 34, T-18-S, R-28-E. Fixed Overhead rates of \$6,000 for drilling wells and \$600 for producing wells. Executed by Marathon on March 27, 1997.
2. Operating Agreement dated November 1, 1996, InterCoast Oil and Gas Company, Operator, and Marathon Oil Company, et al, Non-Operators, covering S/2 of Section 21, T-18-S, R-28-E. Fixed Overhead rates of \$5,828 for drilling wells and \$546 for producing wells. Executed by Marathon on February 19, 1997.
3. Operating Agreement dated July 1, 1997, Marathon Oil Company, Operator, and Yates Petroleum Corporation, non-operator, covering W/2 Section 27, T-18-S, R-28-E, N.M.P.M. Fixed overhead rates of \$5400 for drilling wells and \$540 for producing wells. Executed by Yates Petroleum on July 18, 1997.

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 11909 Exhibit No. — 3
Submitted By:
Marathon Oil Company
Filing Date: January 22, 1998