



KERR-MCGEE OIL & GAS ONSHORE LLC

P.O. BOX 809004 • DALLAS, TEXAS 75380-9004 • PH (972) 715-4000
14311 WELCH ROAD • DALLAS, TEXAS 75244-3934 • FAX (972) 715-4066

January 3, 2002

Sent Via Fax at 214/987-7120 (3 Pages)

Mr. Mark Virant
Matador Operating Company
8340 Meadow Road, Suite 158 Pecan Creek
Dallas, Texas 75231-3751


RE: Mershon Gas Com # 2
Unorthodox Location 415' FNL &
1201' FWL, Section 21, T22S-R23E,
Eddy County, New Mexico

Gentlemen:

Attached hereto is copy of Letter Agreement dated August 4, 2000, between Kerr-McGee Oil & Gas Onshore LLC and Marathon Oil Company concerning the captioned well ("Letter Agreement"). Please evidence that Matador Operating Company intends to abide by the terms and conditions of the said Letter Agreement by signing and dating this letter in the space provided below and returning it to me via FAX at 972/715-4012 by 10:00 AM CST on January 4, 2002.

Thank you and should you need to reach me, my phone number is 972/715-4608.

Sincerely,


Steve Foerster
Landman

Agreed to and accepted:

Matador Operating Company

By: Mark Virant

Title: Permian-Land Mgr

Date: 1-4-02

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 112786 Exhibit No. — **6**
Submitted By:
Matador Operating Company
Hearing Date: January 10, 2002





KERR-MCGEE OIL & GAS ONSHORE LLC

P.O. BOX 809004 • DALLAS, TEXAS 75380-9004 • PH (972) 715-4000
14311 WELCH ROAD • DALLAS, TEXAS 75244-3934 • FAX (972) 715-4069

August 4, 2000

Sent Via Fax at 915/687-8431 (2 Pages)

Mr. John Kloosterman
Marathon Oil Company
PO Box 552
Midland, Texas 79702

RE: Mershon Gas Com # 2
Unorthodox Location 415' FNL &
1201' FWL, Section 21, T22S-R23E,
Eddy County, New Mexico

Gentlemen:

Kerr-McGee Oil & Gas Onshore LLC ("Kerr-McGee") will withdraw its objection to the unorthodox well location for the captioned well provided Marathon agrees to the following:

- 1) Marathon will not object to an unorthodox well location for a well located no closer than 1201' FSL and 415' FEL of Section 17, T22S-R23E, Eddy County, New Mexico, for a well to be proposed or drilled to the Indian Basin-Upper Pennsylvanian Pool by Kerr-McGee in Section 17, T22S-R23E, Eddy County, New Mexico. It is understood and agreed that the existing acreage factor of 0.695 shall remain in force for this Section 17 if a well is drilled and completed in the Indian Basin-Upper Pennsylvanian Pool at this location. This reciprocal waiver is also contingent upon Marathon drilling and completing the Mershon Gas Com #2.
- 2) Marathon will promptly furnish Kerr-McGee with copies of well logs, as they are received by Marathon, for the Marathon Mershon Gas Com # 2.
- 3) It is understood and agreed that the Mershon Gas Com #2 is a replacement well and as such the Mershon Gas Com #1 well will not be produced within the Indian Basin-Upper Pennsylvanian Pool. Further, it is understood and agreed that the existing acreage factor of 0.56 shall remain in force for this unit in Section 21.

If the foregoing is acceptable, please sign and date this letter in the space provided below and return it to me via FAX at 972/715-4012.

RECEIVED TIME JAN. 3. 6:11PM

P.03

972 715 4981 P.03/05

PRINT TIME JAN. 3. 6:12PM TOTAL P.03

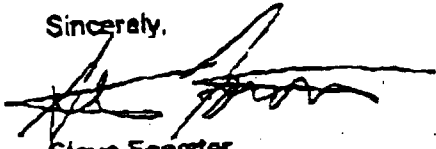
Aug-09-00 04:29P
HUG-04-2000 15:33

KERR MC-GEE

RE: Merston Gas Com # 2
August 4, 2000
Page 2

Thank you and should you need to reach me, my phone number is 972/715-4808.

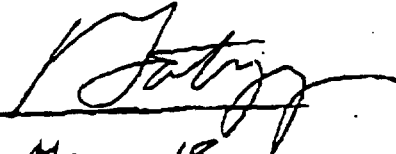
Sincerely,



Steve Foerster
Landman

Agreed to and accepted:

Marathon Oil Company

By: 

Title: Manager IB

Date: 8-4-00