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January 17, 2002

VIA HAND DELIVERY

Ms. Lori Wrotenberg, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: New Mexico Oil Conservation Division Case No. 12991; Application of
Marathon Oil Company to vacate Division Order SWD-852, Eddy County, New
Mexico.

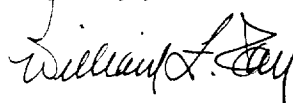
Dear Ms. Wrotenberg:

This letter is to advise the Division that Yates Petroleum Corporation will not use the Archimedes "ARE" State Well No. 1 (API No. 30-015-10414) for injection into the Canyon formation and therefore has no objection to Marathon's application to vacate Order SWD-852.

Division Order SWD-814, dated October 3, 2001 and extended by the Division through April 3, 2003, previously granted the application of Yates Petroleum Corporation for authority to convert its Archimedes "ARE" State Well No. 1 to a salt water disposal well in the Devonian formation through an injection interval from approximately 10,600 feet to 10,800 feet. Due to the concerns of Marathon Oil Company, Yates will convert this well for disposal into only the Devonian formation pursuant to order SWD-814.

Your attention to this matter is appreciated.

Very truly yours,



William F. Carr

cc: Hearing Examiner Michael E. Stogner
David K. Brooks, Esq.
W. Thomas Kellahin, Esq.
Dr. David Boneau
Mr. Randy Patterson