



P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

April 15, 1991

WORKING INTEREST OWNERS
Proposed Tamano (BSSC) Unit
(Mailing List Attached)

RE: Ballot 2
Establishment of Voting Procedure for Pre-Unitization Matters
Proposed Tamano (BSSC) Unit
Tamano (Bone Spring) Field
Eddy County, New Mexico

Working Interest Owners:

Please find enclosed four ballots, identified as Ballot 2A through 2D, respectively, that are submitted for your review and consideration. The purpose of these ballots, which will be referred to collectively as Ballot 2, is to establish a voting procedure for pre-unitization matters regarding the proposed Tamano (BSSC) Unit. You are asked to indicate your vote on each of the four ballots and return the executed ballots to Marathon by 10:00 A.M. CDT on Thursday, April 18, 1991. Please note that this deadline has been extended from the original deadline of 3:00 P.M. CDT on Wednesday, April 17, 1991 due to the additional time requested by Working Interest Owners to submit a ballot. Because Ballot 2B was received late today, Marathon was unable to generate an owner summary. You should have sufficient data in hand to determine ownership on Ballot 2B. If you have questions, call Dan Taimuty at (915) 687-8264 after 3:00 P.M. on April 16, 1991.

You are encouraged to approve more than one ballot if you so desire. The weight of each party's vote in Ballot 2 will be identically that party's voting percentage in the respective ballots. Marathon proposes to use the ballot within Ballot 2 that receives the greatest support, provided the minimum approval is attained.

Marathon will have the second Working Interest Owners Meeting of the proposed Tamano (BSSC) Unit on Tuesday, April 23, 1991 at 10:00 A.M. CDT in the Second Floor Conference room of Marathon's office in Midland, Texas.

Marathon looks forward to your response on Thursday. Should you have any questions or comments during the interim, do not hesitate to contact me at (915) 687-8286.

Respectfully,

A handwritten signature in cursive script, appearing to read 'David J. Loran'.

D. J. Loran
Engineering Manager
Midland Operations

DJL/DDT/Tamano/037.274/sk

A subsidiary of USX Corporation

ENTRUSTED EXAMINER STAMPED
DATE: APR 19 1991
MARATHON
10341

An Equal Opportunity Employer

MAILING LIST

WORKING INTEREST OWNERS
PROPOSED TAMANO (BSSC) UNIT

ARCO Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702
Attention: Mr. Jim Hubbard
Telephone No.: (915) 688-5349
VIA FAX NO.: 915-688-5757

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88202
Attention: Ms. Rosemary T. Avery
Telephone No.: (505) 623-6601
VIA FAX NO.: 505-622-4221

Hudson and Hudson
616 Texas Street
Fort Worth, Texas 76102-4216
Attention: Mr. Ed Hudson
Telephone No.: (817) 336-7109
VIA FAX NO.: 817-334-0442

Kerr-McGee Corporation
P. O. Box 11050
Midland, Texas 79701
Attention: Ms. Donna Suchy
Telephone No.: (915) 688-7000
VIA FAX NO.: 915-688-7056

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702
Attention: D. D. Taimuty
Telephone No.: (915) 682-1626
VIA FAX NO.: 915-687-8287

Moore and Shelton Co., LTD.
1414 Sugarcreek Blvd.
Sugarland, Texas 77478
Attention: Mr. Donald B. Moore
Telephone No.: (713) 491-7373

Pennzoil Exploration & Production Company
P. O. Box 2967
Houston, Texas 77252
Attention: R. F. Blucher
Telephone No.: (713) 546-4000
VIA FAX NO: 713-546-6495

Wainoco Oil and Gas Company
1200 Smith Street, Suite 1500
Houston, Texas 77002
Attention: Mr. Grant Rice
Telephone No.: (713) 658-9900
VIA FAX NO.: 713-658-8136

Yates Energy Corporation
500 N. Main, Suite 1010
Roswell, New Mexico 88201
Attention: Mr. Brian K. Luginbill
Telephone No.: (505) 623-4935
VIA FAX NO.: 505-623-4947

BALLOT 2A

ESTABLISHMENT OF A PRE-UNIT VOTING PROCEDURE
PROPOSED TAMANO (BSSC) UNIT
EDDY COUNTY, NEW MEXICO

April 15, 1991

Proposal: In order to establish a voting procedure to govern pre-unitization matters regarding the proposed Tamano (BSSC) Unit in Eddy County, New Mexico, the voting percentage of each working interest owner will be the sum of said owner's gross estimated ultimate primary reserves in each of the BSSC producing wells in the proposed unit area divided by the sum of 100% of the gross estimated ultimate primary reserves from each of the BSSC producing wells in the proposed unit area. For the purposes of this ballot, the estimated ultimate primary recovery per well will be the values reported in Table 6 of the Waterflood Feasibility Study submitted to all attending Working Interest Owners at the March 25, 1991 meeting. Attached is a summary of each Working Interest Owner's voting percentage based on this formula. The proposed unit area is all of Section 11 and the southeast quarter plus the south half of the northeast quarter of Section 10, all located in Township 18 South, Range 31 East, Eddy County, New Mexico.

Approval representing 75% of the Working Interest Owners will be required to form a consensus.

APPROVED BY: _____

DISAPPROVED BY: _____

ABSTAINED BY: _____

PRINT/TYPE NAME: _____

COMPANY: _____

DATE: _____

Please indicate any companies, in addition to your own, that you are representing.

_____	_____
_____	_____
_____	_____
_____	_____

Please return this ballot to Marathon Oil Company's office in Midland, Texas by 10:00 A.M. CDT on Thursday, April 18, 1991. Marathon's address is P. O. Box 552, Midland, Texas, 75702. Street Address: 125 West Missouri, Midland, Texas, 79701. Panafax number: (915) 687-8287.

100% ESTIMATED ULTIMATE PRIMARY OIL
OWNER SUMMARY

PROPOSED TAMANO (BSSC) UNIT
TAMANO (BONE SPRING) FIELD
EDDY COUNTY, NEW MEXICO

WORKING INTEREST OWNER	TRACT NOS.	WI
MARATHON	3,4,5,6,7	60.61123
PENNZOIL	4,5	3.63522
WAINOCO	4,5	2.58760
F.H. HUDSON	4,5,6,7	7.71553
HUDSON TRUSTEES	4,5	1.32235
HUDSON TRUST	6,7	7.05435
SHELTON & MOORE	4,5,6,7	2.95648
DELMAR H. LEWIS	4,5	0.66117
HARVEY E. YATES COMPANY	1,2,8	4.08552
JAMES H. YATES, Inc.	1,2,8	0.00769
COLKELAN CORPORATION	1,2,8	0.00769
EXPLORERS PETROLEUM Corp.	1,2,8	0.47845
EXBY, Ltd.	1,2,8	0.16820
HEYCO EMPLOYEES Ltd.	1,2,8	0.28216
SPIRAL, Inc.	1,2,8	0.61265
YATES ENERGY CORPORATION	1,2,8	3.46612
ATLANTIC RICHFIELD COMPANY	1,8	2.47724
KERR MCGEE	2	1.70032
LAURELIND CORPORATION	2	0.17003
		100.00000

(HEYCO'S MARCH PRODUCTION WAS ESTIMATED BASED ON FEBRUARY'S AVERAGE DAILY OIL RATE)

BALLOT 2B

ESTABLISHMENT OF A PRE-UNIT VOTING PROCEDURE
PROPOSED TAMANO (BSSC) UNIT
EDDY COUNTY, NEW MEXICO

April 15, 1991

Proposal: In order to establish a voting procedure to govern pre-unitization matters regarding the proposed Tamano (BSSC) Unit in Eddy County, New Mexico, the voting percentage of each Working Interest Owner will be the average of cumulative oil production through March, 1991 plus the number of wells plus the total number of acres. The proposed unit area is Section 11, Township 18 South, Range 31 East, Eddy County, New Mexico and the southeast quarter and the south half of the northeast quarter of Section 10, Township 18 South, Range 31 East, Eddy County, New Mexico.

Approval representing 80 percent of the voting percentage, plus two parties in addition to Marathon Oil Company and the Hudson Group if the combined voting interest of Marathon and the Hudson Group is a majority.

APPROVED BY: _____

DISAPPROVED BY: _____

ABSTAINED BY: _____

PRINT/TYPE NAME: _____

COMPANY: _____

DATE: _____

Please indicate any companies, in addition to your own, that you are representing.

_____	_____
_____	_____
_____	_____
_____	_____

Please return this ballot to Marathon Oil Company's office in Midland, Texas by 10:00 A.M. CDT on Thursday, April 18, 1991. Marathon's address is P. O. Box 552, Midland, Texas, 79702. Street Address: 125 West Missouri, Midland, Texas, 79701. Panafax number: (915) 687-8287.

BALLOT 2C

ESTABLISHMENT OF A PRE-UNIT VOTING PROCEDURE
PROPOSED TAMANO (BSSC) UNIT
EDDY COUNTY, NEW MEXICO

April 15, 1991

Proposal: In order to establish a voting procedure to govern pre-unitization matters regarding the proposed Tamano (BSSC) Unit in Eddy County, New Mexico, the voting percentage of each Working Interest Owner will be the sum of said owner's working interest in each well within the proposed unit area multiplied by the volume of oil produced from each respective well between October 1, 1990 and March 31, 1991, divided by the total oil production from the proposed unit area for the same six month period. Attached is a summary of each Working Interest Owner's voting percentage based on this formula. The proposed unit area is Section 11, Township 18 South, Range 31 East, Eddy County, New Mexico and the southeast quarter and the south half of the northeast quarter of Section 10, Township 18 South, Range 31 East, Eddy County, New Mexico.

Approval representing 75 percent of the voting percentage with agreement from at least three parties will be required to form a consensus.

APPROVED BY: _____

DISAPPROVED BY: _____

ABSTAINED BY: _____

PRINT/TYPE NAME: _____

COMPANY: _____

DATE: _____

Please indicate any companies, in addition to your own, that you are representing.

_____	_____
_____	_____
_____	_____
_____	_____

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MARATHON'S PROPOSED FORMULA
(100% SIX MONTH OIL RATE)
OWNER SUMMARY

PROPOSED TAMANO (BSSC) UNIT
TAMANO (BONE SPRING) FIELD
EDDY COUNTY, NEW MEXICO

WORKING INTEREST OWNER	TRACT NOS.	100% OIL RATE 10/90-3/91 WI
=====		
MARATHON	3,4,5,6,7	56.14813
PENNZOIL	4,5	8.85453
WAINOCO	4,5	6.30279
F.H. HUDSON	4,5,6,7	7.63433
HUDSON TRUSTEES	4,5	3.22093
HUDSON TRUST	6,7	6.02386
SHELTON & MOORE	4,5,6,7	3.26286
DELMAR H. LEWIS	4,5	1.61046
HARVEY E. YATES COMPANY	1,2,8	2.06312
JAMES H. YATES, Inc.	1,2,8	0.00377
COLKELAN CORPORATION	1,2,8	0.00377
EXPLORERS PETROLEUM Corp.	1,2,8	0.23703
EXBY, Ltd.	1,2,8	0.08678
HEYCO EMPLOYEES Ltd.	1,2,8	0.13823
SPIRAL, Inc.	1,2,8	0.30854
YATES ENERGY CORPORATION	1,2,8	1.69810
ATLANTIC RICHFIELD COMPANY	1,8	1.56342
KERR MCGEE	2	0.76305
LAURELIND CORPORATION	2	0.07631
=====		
		100.00000

(HEYCO'S MARCH PRODUCTION WAS ESTIMATED BASED ON FEBRUARY'S AVERAGE DAILY OIL RATE)

BALLOT 2D

ESTABLISHMENT OF A PRE-UNIT VOTING PROCEDURE
PROPOSED TAMANO (BSSC) UNIT
EDDY COUNTY, NEW MEXICO

April 15, 1991

Proposal: In order to establish a voting procedure to govern pre-unitization matters regarding the proposed Tamano (BSSC) Unit in Eddy County, New Mexico, the voting percentage of each Working Interest Owner will be the sum of said owner's working interest in each well within the proposed unit area multiplied by the volume of oil produced from each respective well between January 1, 1991 and March 31, 1991 divided by the total oil production from the proposed unit area for the same three month period. Attached is a summary of each Working Interest Owner's voting percentage based on this formula. The proposed unit area is Section 11, Township 18 South, Range 31 East, Eddy County, New Mexico and the southeast quarter and the south half of the northeast quarter of Section 10, Township 18 South, Range 31 East, Eddy County, New Mexico.

Approval representing 80 percent of the voting percentage with agreement from at least four parties will be required to form a consensus.

APPROVED BY: _____

DISAPPROVED BY: _____

ABSTAINED BY: _____

PRINT/TYPE NAME: _____

COMPANY: _____

DATE: _____

Please indicate any companies, in addition to your own, that you are representing.

_____	_____
_____	_____
_____	_____
_____	_____

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100% THREE MONTH OIL RATE

OWNER SUMMARY

PROPOSED TAMANO (BSSC) UNIT
TAMANO (BONE SPRING) FIELD
EDDY COUNTY, NEW MEXICO

WORKING INTEREST OWNER	TRACT NOS.	WI
MARATHON	3,4,5,6,7	50.87201
PENNZOIL	4,5	11.89615
WAINOCO	4,5	8.46786
* F.H. HUDSON	4,5,6,7	7.45244
* HUDSON TRUSTEES	4,5	4.32735
* HUDSON TRUST	6,7	5.28876
* SHELTON & MOORE	4,5,6,7	3.39392
* DELMAR H. LEWIS	4,5	2.16368
** HARVEY E. YATES COMPANY	1,2,8	1.80634
** JAMES H. YATES, Inc.	1,2,8	0.00325
** COLKELAN CORPORATION	1,2,8	0.00325
** EXPLORERS PETROLEUM Corp.	1,2,8	0.20566
** EXBY, Ltd.	1,2,8	0.07672
** HEYCO EMPLOYEES Ltd.	1,2,8	0.11930
** SPIRAL, Inc.	1,2,8	0.26980
YATES ENERGY CORPORATION	1,2,8	1.46552
ATLANTIC RICHFIELD COMPANY	1,8	1.49584
KERR MCGEE	2	0.62923
** LAURELIND CORPORATION	2	0.06292
		100.00000

*Hudson & Hudson represents these parties and shall be considered one party for voting consensus purposes.

**HEYCO represents these parties and shall be considered one party for voting consensus purposes.