



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

April 19, 1991

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

RE: Results of Ballot 2
Ballot 3
Establishment of Voting Procedure
For Consensus of Pre-Unitization Matters
Proposed Tamano (BSSC) Field
Eddy County, New Mexico

Please be advised that a voting procedure was not established to form a consensus for pre-unitization matters regarding the proposed Tamano (BSSC) Unit. Results from Ballot 2 are attached for your review as Table 1. Hudson and Hudson, et. al. and Pennzoil did not return Ballot 2.

As a result of the Working Interest Owners inability to adopt a consensus procedure, Marathon hereby proposes one final ballot be distributed and either approved or disapproved by each party prior to the scheduled April 23, 1991 Working Interest Owners Meeting. Ballot 3 is attached for each owners review. As before, the proposed formula will be used to describe each working interest owner's voting percentage in any vote on pre-unitization matters. Please forward your executed ballot to Marathon's Midland office by 3:00 P.M. CDT on Monday, April 22, 1991. Marathon's panafax number is (915) 687-8287. Send your response to the attention of D. D. Taimuty.

Regardless of the results of this ballot, the second Working Interest Owner's Meeting for the proposed Tamano (BSSC) Unit will be held on April 23, 1991 as scheduled.

We look forward to your response regarding Ballot 3 and your attendance at the upcoming meeting. If you have any questions or concerns, I can be contacted at (915) 682-1626.

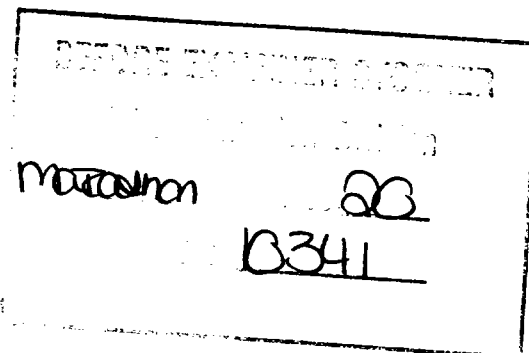
Respectfully,

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

D. J. Loran
Engineering Manager
Midland Operations

DJL/TWW/TAMANO.039/sk

A subsidiary of USX Corporation



An Equal Opportunity Employer

TABLE 1
 PROPOSED TAMANO (BSSC) UNIT
 BALLOT 2
 VOTE TO ESTABLISH VOTING PROCEDURE FOR PRE-UNIT MATTERS

WORKING INTEREST OWNER	BALLOT			
	2A	APPROVED	DISAPPR.	ABSTAIN
ARCO	2.47724	2.47724	-	-
HEYCO, et al	5.81239	-	5.81239	-
HUDSON & HUDSON, et al	19.70988	-	-	-
KERR McGEE	1.70032	1.70032	-	-
MARATHON	60.61123	60.61123	-	-
PENNZOIL	3.63522	-	-	-
WAINOCO	2.58760	-	2.58760	-
YATES ENERGY, et al	3.46612	-	3.46612	-
TOTAL	100.00000	64.78879	11.86611	0.00000

WORKING INTEREST OWNER	BALLOT			
	2B	APPROVED	DISAPPR.	ABSTAIN
ARCO	7.40335	7.40335	-	-
HEYCO, et al	10.00489	10.00489	-	-
HUDSON & HUDSON, et al	16.98931	-	-	-
KERR McGEE	2.03962	2.03962	-	-
MARATHON	49.52355	-	49.52355	-
PENNZOIL	4.95516	-	-	-
WAINOCO	3.52716	-	3.52716	-
YATES ENERGY, et al	5.55695	5.55695	-	-
TOTAL	100.00000	25.00481	53.05071	0.00000

WORKING INTEREST OWNER	BALLOT			
	2C	APPROVED	DISAPPR.	ABSTAIN
ARCO	1.56342	-	1.56342	-
HEYCO, et al	2.91755	-	2.91755	-
HUDSON & HUDSON, et al	21.75244	-	-	-
KERR McGEE	0.76305	-	0.76305	-
MARATHON	56.14813	56.14813	-	-
PENNZOIL	8.85453	-	-	-
WAINOCO	6.30279	-	6.30279	-
YATES ENERGY, et al	1.69810	-	1.69810	-
TOTAL	100.00000	56.14813	13.24491	0.00000

WORKING INTEREST OWNER	BALLOT			
	2D	APPROVED	DISAPPR.	ABSTAIN
ARCO	1.49584	-	1.49584	-
HEYCO, et al	2.54724	-	2.54724	-
HUDSON & HUDSON, et al	22.62615	-	-	-
KERR McGEE	0.62923	-	0.62923	-
MARATHON	50.87201	-	50.87201	-
PENNZOIL	11.89615	-	-	-
WAINOCO	8.46786	8.46786	-	-
YATES ENERGY, et al	1.46552	-	1.46552	-
TOTAL	100.00000	8.46786	57.00984	0.00000

BALLOT 3

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

April 19, 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 said owner's total of 4 percent of surface acres, 2 percent of usable wellbores, 60 percent of 6-month daily oil rate, and 34 percent remaining primary recovery. The attachment summarizes each WIO's voting percentage. For the purposes of this ballot, the estimated remaining 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 3:00 P.M. CDT on Monday, April 22, 1991. Marathon's address is P. O. Box 552, Midland, Texas, 79701. Street Address: 125 West Missouri, Midland, Texas, 79701. Panafax number: (915) 687-8287.



ATTACHMENT FOR BALLOT 3
ESTABLISHMENT OF PRE-UNIT VOTING PROCEDURE
PROPOSED TAMANO (BSSC) UNIT
EDDY COUNTY, NEW MEXICO

<u>OWNER'S NAME</u>	<u>WORKING INTEREST</u>
MARATHON	54.81112
PENNZOIL	9.81160
WAINOCO	6.98404
*F. H. HUDSON	6.86651
*HUDSON TRUSTEES	3.56907
*HUDSON TRUST	5.08198
*SHELTON & MOORE	3.05331
*DELMAR H. LEWIS	1.78454
**HARVEY E. YATES COMPANY	2.33153
**JAMES H. YATES, INC.	0.00410
**COLKELAN CORPORATION	0.00410
**EXPLORERS PETROLEUM CORP.	0.26186
**EXBY, LTD.	0.10047
**HEYCO EMPLOYEES LTD.	0.15065
**SPIRAL, INC.	0.34759
YATES ENERGY CORPORATION	1.85062
ATLANTIC RICHFIELD COMPANY	2.17604
KERR MCGEE	0.73715
**LAURELIND CORPORATION	<u>0.07372</u>
	100.00000

<u>PARAMETER</u>	<u>APPLIED FRACTION</u>
SURFACE ACRES	0.040
USABLE WELLBORES	0.020
6 MONTH DAILY OIL RATE	0.600
REM PRIM	<u>0.340</u>
	1.000

*Hudson and 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.