

INTRACOMPANY CORRESPONDENCE

TO	Mr. Don Price	DATE	April 6, 1993
OFFICE	Houston, Texas	FROM	Wayne L. Ransbottom
SUBJECT		OFFICE	Midland, Texas

Re: Our Lease NM-106 - McDonald State Lease A-2614
W/2 Section 15, E/2 Section 16, T-22-S, R-36-E
Lea County, New Mexico

I have checked Marathon's records concerning our interest in the captioned lease including our Land Records and our Division Order System. I have examined a recent Abstract of the records kept at the State Land Office of New Mexico on the captioned lease and I have seen a report based upon the public records kept by Lea County, New Mexico. I helped draft the assignment between Atlantic Richfield and Marathon dated March 15, 1993, in which Atlantic Richfield conveyed all their interest in the W/2 of Section 15 to Marathon. Based upon these sources, it is my opinion that the ownership of the Oil & Gas leasehold and royalty rights in the above lands are owned as follows:

Leasehold:	Marathon Oil Company
Working Interest:	100.0%
Net Revenue Interest:	87.5%
Royalty:	Commissioner of Public Lands, State of New Mexico - 12.5%

I spoke with Anna with the Oil & Gas Division of the State Land Office of New Mexico this morning; she indicated that since these lands are covered by one State lease that there would be no difference in the State Beneficiary for the Jalmat zone vs. the South Eunice Pool zone.

Attached is a copy of the Division of Interest for the captioned lease from our Division Order System.

T. B. Robertson, CPL *TBR*
Extension 8490

TBR:mmc'
Attachments

Before The
OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 10704 Exhibit No. 3
Submitted by: Marathon Oil Company
Hearing Date: 4/8/93