

Sendero Petroleum, Inc.

Tony B. Sam
Engineer

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P.O. Box 1736
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915/684-4561

Kurt W. Boley
Geologist

Case-9957

May 24, 1990

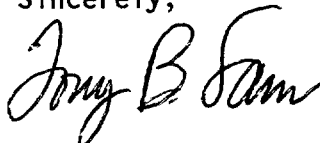
Mr. Michael Stogner
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87054-2088

Re: Application of Marathon Oil Company
for an Unorthodox Location and Dual
Completion Indian Basin Morrow Pool,
Section 9, T21S R23E, North Indian
Basin Unit No. 8

Dear Mr. Stogner:

Sendero Petroleum, Inc. as an offset operator to the Marathon Oil Company North Indian Basin Unit #8, recommends that Marathon's application for an unorthodox gas well location and dual completion be approved and that zero penalty be imposed on the well. The zero penalty has been agreed to by both Sendero and Marathon. Please call me at (915) 684-4561 if you have any questions concerning this letter.

Sincerely,



Tony B. Sam
President

TBS/dm

cc: Mr. Craig Kent
Marathon Oil Company
P. O. Box 552
Midland, Texas 79702