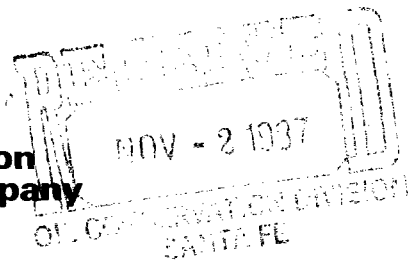




**Marathon  
Oil Company**

October 27, 1987



Mid-Continent Region  
Production United States

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

*See above  
rejected.  
Will submit when to  
get to hearing  
related to Tim Deines  
11-1-1987*

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico

Attn: Division Director

*Case 9276*

Dear Sir:

Re: Unorthodox Location - Indian Basin Field *24E*  
Section 20, T21S, R24E  
Eddy County, New Mexico

Marathon Oil Company requests administrative approval to drill a 9500' Morrow gas well in Section 20, T21S, R24E, Eddy County, New Mexico at an unorthodox location. The proposed well will be located 560' FSL and 1550' FWL in said section. Topographical conditions dictate the selection of this site. Attached is a topographical map of this area illustrating the proposed site at point "D". Point "A", which is a legal location and the original location, is located on the side of the hill. A representative of the Bureau of Land Management was present while these surveys were being made. He rejected sites "A", "B", and "C" based on aesthetics. Too much cutting and blasting would be required to prepare a location at these sites.

A plat showing the ownership of all leases offsetting this location is also enclosed. Offset operators have been notified by mail as evidenced by the enclosed certificate of mailing forms. If any additional information is required, please contact this office. Thank you.

Yours truly,

*T. A. Deines*

T. A. Deines  
Operations Engineering Supervisor

TAD/TFZ2/40/dah

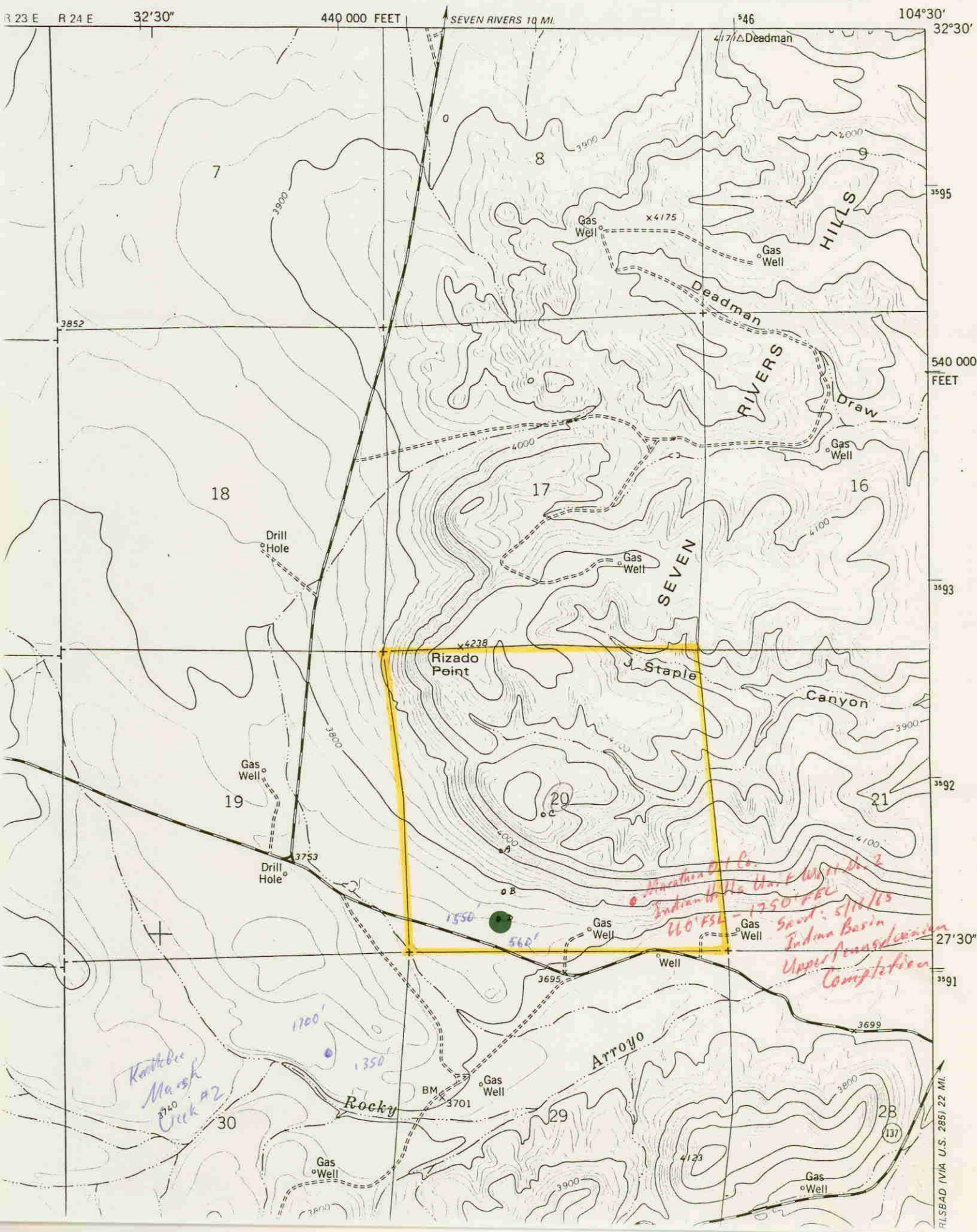
Enclosures

*Benny Hunt  
887-6344  
Blair  
Cawback*



*915-687-8520  
Kevin Wilson*

MARTHA CREEK QUADRANGLE  
NEW MEXICO—EDDY CO.  
7.5 MINUTE SERIES (TOPOGRAPHIC)  
NE/4 BANDANNA POINT 15' QUADRANGLE

5149 III SW  
(SEVEN RIVER)





Union Oil of Calif. 18	Barbara Fasken 17	Barbara Fasken 16
	$\frac{568}{34.9}$ • 6	$\frac{414}{25.6}$ • 7
Penroc Oil Corporation 19	Indian Hills Unit Gas Com Marathon 20	Indian Hills Marathon 21
$\frac{18}{35.9}$ • 1 Indian Federal Gas Com	Proposed Location Indian Hills Unit	• 1 Indian Hills Unit
Kerr McGee 30 $\frac{1946}{4.3}$ • 2 $\frac{0}{8.0}$ • 1 Martha Creek Gas Com	Marathon 29 Indian Hills Unit Gas Com	Marathon 28 Indian Hills Unit
Flag-Redfern 31 $\frac{0}{32.7}$ • 1 Winston Gas Com	<div style="border: 1px solid black; padding: 10px;"> <div style="text-align: center;">   <b>PRODUCTION, U.S. MID-CONTINENT REGION</b> </div> <div style="text-align: center; margin-top: 20px;"> <b>INDIAN BASIN FIELD</b>            Eddy County, New Mexico            T21S - R34E            Morrow Wells            Present Prod. (MCFPD)            Cum Prod. (BCF)         </div> <div style="margin-top: 20px;">  </div> </div>	

Mid-Continent Region  
Production United States



**Marathon  
Oil Company**

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

October 27, 1987

Offset Operators

*Case 9276*

Dear Sir:

Re: Unorthodox Location  
Indian Basin Field  
Section 20, T21S, R34E  
Eddy County, New Mexico

Marathon Oil Company is requesting administrative approval from the New Mexico Oil Conservation Division to drill a Morrow gas well at an unorthodox location in the above referenced section. The location will be 560' FSL and 1550' FWL of Section 20. This is due to the topographical conditions in the area. The attached topographical map illustrates this. Point "D" on the map is the proposed location.

According to the Oil Conservation Division rules if no objections are registered with the Division Director within 20 days after receipt of the application, permission can be granted for an unorthodox location. If you have any questions regarding this matter, please contact this office. Thank you.

Yours truly,

T. A. Deines  
Operations Engineering Supervisor

TAD/TFZ2/41/dah

Attachment

LIST OF OFFSET OPERATORS

INDIAN BASIN FIELD

Union Oil of California  
P. O. Box 671  
Midland, TX 79701

Barbara Fasken  
303 W. Wall, Suite 1901  
Midland, TX 79701-5116

Penroc Oil Corporation  
Drawer 831  
Midland, TX 79702-0831

Kerr-McGee  
Box 250  
Amarillo, TX 79189

U.S. POST  
CERTIFICATE

Received From:

Marathon Oil Co.

P. O. Box 552

Midland, TX 79702

One piece of ordinary mail addressed to:

Kerr-McGee

Box 250

Amarillo, TX 79189

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER

PS FORM 3817 MAY 1976

☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-750-240

Midland, TX OCT 28 '87 PS

0.45

U.S. POST  
CERTIFICATE

Received From:

Marathon Oil

P. O. Box 552

Midland TX 79702

One piece of ordinary mail addressed to:

Barbara Fasken

303 W. Wall, Suite 1901

Midland, TX 79701-5116

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER

PS FORM 3817 MAY 1976

☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-750-240

Midland, TX OCT 28 '87 PS

0.45

U.S. POST  
CERTIFICATE

Received From:

Marathon Oil

P. O. Box 552

Midland, TX 79702

One piece of ordinary mail addressed to:

Penroc Oil Corp.

Drawer 831

Midland, TX 79702-0831

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER

PS FORM 3817 MAY 1976

☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-750-240

Midland, TX OCT 28 '87 PS

U.S. POSTAL  
CERTIFICATE

Received From:

Marathon Oil Co.

P. O. Box 552

Midland, TX 79702

One piece of ordinary mail addressed to:

Union Oil of Calif.

P. O. Box 671

Midland, TX 79701

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER

PS FORM 3817 MAY 1976

☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-750-240

Midland, TX OCT 28 '87 PS

0.45

Mid-Continent Region  
Production United States



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

November 9, 1987

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Division Director

Re: Unorthodox Location - Indian Hills Unit Well No. 6  
Section 20, T21S, R24E  
Indian Basin Field  
Eddy County, New Mexico

Dear Sir:

An error in the well location of our letter dated October 27, 1987 was discovered. The correct location is Section 20, T21S, R24E, not R34E as shown under the reference in the original letter. Please excuse any inconvenience that this may have caused. Thank you.

Yours truly,

A handwritten signature in cursive script, appearing to read 'T. A. Deines'.

T. A. Deines  
Operations Engineering Supervisor

TAD/102/pk

cc: Working Interest Owners

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS  
MARTE D. LIGHTSTONE

NOV 14 1987

GUADALUPE PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

November 11, 1987

Case 9276

Bill Lemay, Director  
New Mexico Oil Conservation Division  
P.O. Box 2088  
New Mexico State Land Office Bldg.  
Santa Fe, New Mexico 87504-2088

Re: Application of Marathon Oil Company for Unorthodox  
Well Location, 560' FSL 1550' FWL, Section 20, T-21S  
R-24E, Eddy County, New Mexico

Dear Mr. Lemay:

Our client, Kerr-McGee Corporation, has received a copy of Marathon's application for an unorthodox location on the above-referenced well. The application seeks administrative exception to the well location requirements due to topographical conditions. The application also mis-describes the location as being in Range 34 East when it is in fact in 24 East.

Kerr-McGee operates an offsetting well to the southwest in the NE/4 of Section 3, T-21S, R-24E. Kerr-McGee objects to Marathon's proposed bottom hole location absent a showing that Kerr-McGee's correlative rights will not be impaired and that a deviated hole to a standard location cannot be successfully and economically drilled.

Very truly yours,

*J. Scott Hall*

J. Scott Hall

JSH/dmg  
cc: Mr. T.A. Deines  
Kelly Eisenberg



Sec. \_\_\_\_\_ Township No. \_\_\_\_\_ of Range No. \_\_\_\_\_

<i>Lot 4</i> <i>38.89</i>	<i>Lot 3</i> <i>40.55</i>	<i>Lot 2</i> <i>38.97</i>	<i>Lot 1</i> <i>37.88</i>
<i>Lot 5</i> <i>37.95</i>	<i>Lot 6</i> <i>39.51</i>	<i>Lot 7</i> <i>39.34</i>	<i>Lot 8</i> <i>38.34</i>

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**MONUMENT-BLINEBRY POOL**  
Lea County, New Mexico

Order No. 850, January 1, 1950, Redefining Pool, as Amended by Order No. R-184, August 28, 1952; Order No. R-348, July 27, 1953; Order No. R-407, February 10, 1954; Order No. R-561, December 16, 1954; Order No. R-713, November 10, 1955.

T-19-S, R-36-E Sec. 36.  
T-19-S, R-37-E Sec. 31; W/2 Sec. 32.  
T-20-S, R-36-E Sec. 1.  
T-20-S, R-37-E W/2 Sec. 5; Sec. 6; N/2, N/2 SE/4 Sec. 7; W/2 Sec. 8.

**SOUTH PRAIRIE-CISCO POOL**  
Roosevelt County, New Mexico

Order No. R-1824, November 21, 1960, Establishing Pool, as Amended by Order No. R-1857, February 1, 1961; Order No. R-1942, May 1, 1961; Order No. R-1999, July 1, 1961; Order No. R-2062, October 1, 1961; Order No. R-2139, January 1, 1962; Order No. R-2221, May 1, 1962; Order No. R-2266, July 1, 1962; Order No. R-2485, June 1, 1963; Order No. R-2726, July 1, 1964; Order No. R-3806, August 1, 1969; Order No. R-4080, January 1, 1971; Order No. R-4106, March 1, 1971; Order No. R-4566, July 1, 1973.

T-8-S, R-36-E S/2 Sec. 15; S/2 Sec. 16; S/2 Sec. 17; Secs. 20, 21; N/2 Sec. 22; W/2 Sec. 23.

**MONUMENT-ELLENBURGER GAS POOL**  
Lea County, New Mexico

Order No. R-544, November 17, 1954, Establishing Pool.

Pool abolished by Order No. R-2618, January 1, 1964.

**GREENWOOD-BONE SPRING POOL**  
Eddy County, New Mexico

Order No. R-2427, March 1, 1963, Establishing Pool.

T-19-S, R-31-E NE/4 Sec. 12.

**EAST RED LAKE-QUEEN-GRAYBURG POOL**  
Eddy County, New Mexico

Order No. R-1611, February 26, 1960, Establishing Pool, as Amended by Order No. R-1652, April 19, 1960; Order No. R-1999, July 1, 1961; Order No. R-2062, October 1, 1961; Order No. R-2172, February 1, 1962; Order No. R-2221, May 1, 1962; Order No. R-2410, February 1, 1963; Order No. R-2449, April 1, 1963; Order No. R-2552, September 1, 1963; Order No. R-2578, November 1, 1963; Order No. R-2911, June 1, 1965; Order No. R-2938, August 1, 1965; Order No. R-6169, November 1, 1979; Order No. R-6211, January 1, 1980; Order No. R-6368, July 1, 1980; Order No. R-6476, October 1, 1980; Order No. R-6724, August 1, 1981; Order No. R-6994, June 1, 1982; Order No. R-7030, August 1, 1982; Order No. R-8431, May 1, 1987.

T-16-S, R-28-E SE/4 Sec. 24; Sec. 25; S/2 S/2 Sec. 26; SE/4 SE/4 Sec. 27; Secs. 34, 35, 36.  
T-16-S, R-29-E NW/4 Sec. 30; NW/4 SW/4 Sec. 31.  
T-17-S, R-28-E NW/4, W/2 SW/4 Sec. 1; E/2, NW/4 Sec. 2; N/2 Sec. 3; NE/4, N/2 SE/4 Sec. 11; W/2, W/2 NE/4 Sec. 12.

**ARKANSAS JUNCTION-QUEEN GAS POOL**  
Lea County, New Mexico

Order No. R-1981, June 1, 1961, Establishing Pool, as Amended by Order No. R-2062, October 1, 1961; Order No. R-2172, February 1, 1962; Order No. R-2292, August 1, 1962; Order No. R-2393, January 1, 1963; Order No. R-2449, April 1, 1963.

T-18-S, R-36-E S/2 Sec. 1; SE/4 Sec. 2; S/2, NE/4 Sec. 11; NE/4, W/2 Sec. 12; W/2 Sec. 13; NE/4 Sec. 14; N/2 Sec. 23; NW/4 Sec. 24.

**INDIAN BASIN-MORROW GAS POOL**  
Eddy County, New Mexico

Order No. R-2441, March 1, 1963, Establishing Pool, as Amended by Order No. R-2569, October 1, 1963; Order No. R-2726, July 1, 1964; Order No. R-2911, June 1, 1965; Order No. R-3758, June 1, 1969; Order No. R-4782, June 1, 1974; Order No. R-5162, March 1, 1976; Order No. R-5885, December 29, 1978; Order No. R-5891, January 1, 1979; Order No. R-8391, February 1, 1987.

T-21-S, R-23-E Secs. 10, 14, 15, 22 through 25, 36.  
T-21-S, R-24-E S/2 Sec. 9; Secs. 16, 17, 19, 20, 30, 31, 32.