



Southern Business Unit

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March 5, 2006

New Mexico Oil Conservation Division District 2
1301 West Grand Avenue
Artesia, New Mexico 88210

RE: Indian Hills Unit No. 50 API # 30-015-32530

TO: Bryan Arrant,

Dear Mr. Arrant,

This letter is in regards to concerns you had expressed with Marathon Oil Company's H2S contingency plans for re-completing the Indian Hills Unit No. 50 to the Wolfcamp formation, and to the distance to lease lines in the new completion.

Marathon will be using a hydraulic BOP to isolation any potential flow of H2S. We will also have H2S monitoring on location while working over the Wolfcamp completion. Marathon does not anticipate that these measures will be necessary since our other completions and attempts at completing the Wolfcamp formation have resulted in sweet gas. However, Marathon takes these precautions with every well.

As to your concern with the legal location for the producing interval in this well, we have plotted using geographic software that distance to lease lines at the bottom perforation at 7654' MD (7521' TVD) will be 959' FSL & 1678' FWL. The top perforation at 7610' MD (7479' TVD) will be 970' FSL & 1684' FWL. Therefore all of the Wolfcamp interval will be within the legal set backs on this well.

If you need any further information please let me know.

Sincerely,

A handwritten signature in cursive script that reads 'Charles E. Kendrix'.

Charles E. Kendrix
Engineering Technician
Marathon Oil Company

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