



Southern Business Unit

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October 9, 2006

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Test E.S. Owens 26 No. 1

TO: NMOCD District I

The C-104 included with this letter is requesting that Marathon Oil Company be allowed to route production from the E.S. Owens 26 No. 1 Grayburg completion to Marathon's South Eunice Seven Rivers Queen Unit facilities for a thirty day test period.

Marathon is requesting this test period in order to evaluate the economic viability of the Grayburg production in this well. All oil, gas, and water volumes will be metered through the three phase test separator for allocation of oil, gas, and water to the E.S. Owens for this test period.

If you need any further information please contact me at 713-296-2096 or through email @ cekendrix@marathonoil.com.

Sincerely,

Charles E. Kendrix

Charles E. Kendrix
Regulatory Compliance Representative
Marathon Oil Company

CW 10/24/06 approved for 30 days.

