

P.O. Box 2409 Hobbs, New Mexico 88240 Telephone 505/393-7106

December 12, 1992

Mr. Jerry Sexton State of New Mexico Oil Conservation Division P.O. Box 1980 Hobbs, NM 88240

Dear Mr. Sexton:

Marathon Oil Company suspects a casing leak on the Benson Well No. 1. The location of this Well is Section 14, Township 16 South, Range 38 East, Lea County, New Mexico. This well recently started producing 100% water. Also the water analysis indicates that the chlorides have increased dramatically.

Per our conversation, Marathon will produce this well for 30 days below a packer to test for oil production. Fluid levels will be shot on the casing during this time period. Then, at the end of 30 days we will meet with you to determine what the next step will be in working on this well.

Sincerely,

Allen S. Wilson Production Foreman Northwest Operations

ASW; 9223/dw

xc: S.P. Guidry