

CHARLES B. READ
PRESIDENT

Read & Stevens, Inc.

*Oil Producers
P. O. Box 1518
Roswell, New Mexico 88202*

September 10, 1992

Oil Conservation Division
Attn: Jerry Sexton
P. O. Box 1980
Hobbs, NM 88240

SUBJECT: Plug & Abandonment
Marathon State #1
1980' FNL & 660' FWL
Sec 7-T19S-R35E
Lea County, New Mexico

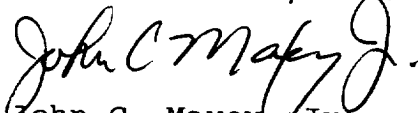
Gentlemen:

We recently rigged up a pulling unit on the subject well and attempted to pull rods and tubing, but found both to be stuck. Based on stretch in the tubing we believe the stuck point to be 3,200'. If you will notice on the enclosed schematic, this is the point of a previous collapse in January of 1971. We believe this point in the casing has again collapsed and is severe enough to stick both tubing and rods. Based on the severity of this collapse, Read & Stevens is evaluating the well for plug and abandonment. The collapse appears to be so severe that rods and tubing may be impossible to recover below the collapsed point.

Please review the subject well for plug and abandonment with respect to the stuck rods and tubing. When you have had time to review the enclosed schematic, I'll be calling for your requirements pertaining to plugging a well with this type of problem. If you have any questions, please advise.

Respectfully,

READ & STEVENS, INC.


John C. Maxey, Jr.
Petroleum Engineer

JCM/sr/Marathon.OCD

Enclosure
xc: Dan Lough
Carl Little