

*Well file.
Melah*

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W. THOMAS KELLAHIN*

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September 3, 1997

VIA FACSIMILE AND REGULAR MAIL

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

*Southeast Monument - also
R-10909*

Mr. Chris Williams
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Retroactive to 8/1/97

Re: CONFIRMATION OF TEMPORARY EXCEPTION FROM RULE 506
Application of Marathon Oil Company
for pool creation and the adoption of
special pool rules therefor
Lea County, New Mexico.

Gentlemen:

On August 24, 1997, on behalf of Marathon Oil Company, I filed an application requesting the creation of a new Abo oil pool with a 10,000 to 1 GOR for its Hansen State Well No. 7, located in Unit B of Section 16, T20S, R37E, Lea County, New Mexico.

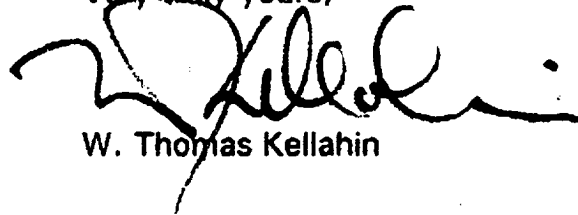
In addition, I also requested temporary approval to continue to produce this well at a daily oil rate not in excess of the 187 BOPD depth bracket allowable and with a GOR not in excess of 10,000 to 1 pending the entry of an order addressing this application.

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This letter will confirm that this morning Mr. Stogner advised me that Marathon may continue to produce this well up to a 10,000 to 1 GOR pending the entry of an order in this case. However, he also advised me that in the event the Division does not grant its request, then Marathon will be required to make up any gas allowable produced in excess of the statewide 2000 to 1 GOR.

We appreciate your attention to our request.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name.

W. Thomas Kellahin

cfx: Marathon Oil Company
Attn: Thomas C. Lowry, Esq.