N. M. Oil Cons. Division

Form 3160-3 (July 1992)

la. TYPE OF WORK

b. TYPE OF WELL

2. NAME OF OPERATOR

OIL

WELL

At surface

3808' G.L.

SIZE OF HOLE

12 1/4"

8 3/4"

APPROVED BY

FORM APPROVED OMB NO. 1004-0136

UNITED STATES Expires: February 28, 1995 reverse side) 5. LEASE DESIGNATION AND SERIAL NO. DEPARTMENT OF THE INTERIOR NM81677 BUREAU OF LAND MANAGEMENT 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 7. UNIT AGREEMENT NAME N. INDIAN BASIN UNIT DEEPEN ... DRILL X 8. FARM OR LEASE NAME, WELL NO. MULTIPLE SINGLE X OTHER BONE FLATS "12" FED 3 COM Marathon Oil Company 9. API WELL NO. 3. ADDRESS AND TELEPHONE NO. 30-015-28529 915/687-8327 10. FIELD AND POOL, OR WILDCAT P.O. Box 552 Midland, TX 79702 S. DAGGER DRAW, U. PENN ASSOC 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) 1980' FSL & 760' FWL At proposed prod. zone 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 2nd LATERAL-1650' FSI 1st LATERAL-1980' FNL & 1980' FWL. SEC. 12. T-21-S R-23-E 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH 13. STATE 10 MILES SW OF LAKEWOOD, NM
15. DISTANCE FROM PROPOSED* **EDDY** NM 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660' @ BHL 320 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 18. DISTANCE FROM PROPOSED LOCATION® TO NEAREST WELL, DRILLING, COMPLETED 1320' @ SHI 7817 TVD ROTARY OR APPLIED FOR, ON THIS LEASE, FT. 22. APPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF,RT, GR, etc.) 9/30/97 PROPOSED CASING AND CEMENTING PROGRAM SETTING DEPTH QUANTITY OF CEMENT WEIGHT PER FOOT GRADE, SIZE OF CASING *820 SX CIRC 40 SX ***9** 5/8" 36 1200' 80501 *1125 SX. CIRC 75 SX 23,26

*CASING CEMENTED IN PLACE.

MARATHON PROPOSES TO RE-ENTER THIS WELL AND HORIZONTALLY DRILL TWO LATERAL WELLBORES TO ORTHODOX BOTTOM HOLE LOCATIONS. PROPOSED KOP @ 7725' TVD.

THE EXISTING PAD AND RESERVE PIT AREA WILL BE UTILIZED FOR THIS ACTIVITY. NO NEW PAD OR ACCESS ROAD WILL BE REQUIRED.

PLEASE REFER TO ATTACHED PROCEDURE FOR SPECIFIC ACTIVITIES. IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any proposal is to drill or \mathbf{m} ನ DRILLING SUPERINTENDENT DATE. SIGNED (This space for Federal or State PERMIT NO. APPROVAL DATE.

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lesse which would entitle the applicant to conduct or CONDITIONS OF APPROVAL, IF ANY:

(CARL ID) DAVID R. GLASS PETROLEUM ENGINEER

TITLE

1007

*See Instructions On Reverse Side