<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Form C-101 August 1, 2011

Permit 250726

| | APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE | | | | | | | | | |
|--|---|----------|-------|---------|-----------|---------------------|-----------|--|----------|--------|
| | 1. Operator Name and Address MARATHON OIL PERMIAN LLC 2. OGRID Number 372098 | | | | | | | | | |
| 5555 San Felipe St. Houston, TX 77056 3. API Number 30-025-44665 | | | | | | | | | | |
| 4. Property Code 5. Property Name 8LUEBERRY HILL FEE 24 35 19 WA | | | | | | 6. Well No. 006H | | | | |
| 7. Surface Location | | | | | | | | | | |
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | | E/W Line | County |

| UL - | Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|------|-----|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | Н | 19 | 24S | 35E | Н | 2417 | N | 1286 | E | Lea |
| | | | | | | | | | | |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| Α | 18 | 24S | 35E | Α | 150 | N | 330 | E | Lea |

9. Pool Information

| WC-025 G-09 S243532M;WOLFBONE | 98098 |
|-------------------------------|-------|

Additional Well Information

| 11. Work Type | 12. Well Type | 13. Cable/Rotary | 14. Lease Type | 15. Ground Level Elevation |
|-----------------------|--------------------|--|----------------|-----------------------------------|
| New Well | OIL | | Private | 3337 |
| 16. Multiple | 17. Proposed Depth | 18. Formation | 19. Contractor | 20. Spud Date |
| N | 20004 | Wolfbone | | 5/1/2018 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |
| | | | | |

☑ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1100 | 997 | 0 |
| Int1 | 8.75 | 7 | 29 | 12000 | 1399 | 0 |
| Prod | 6.125 | 4.5 | 13.5 | 20004 | 861 | 11800 |

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 10000 | 5000 | Cameron |
| Annular | 5000 | 2500 | Shaffer |

| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC | | | | OIL CONSERVA | ATION DIVISION |
|--|---|--|-------------------|-----------------|---------------------------|
| Printed Name: | Electronically filed by Melissa Szudera | | Approved By: | Paul Kautz | |
| Title: | Regulatory Compliance Representative | | Title: | Geologist | |
| Email Address: | mszudera@marathonoil.com | | Approved Date: | 4/9/2018 | Expiration Date: 4/9/2020 |
| Date: | 4/6/2018 Phone: 701-260-7272 | | Conditions of App | proval Attached | <u>.</u> |

| | Mind and A right William From Particular Statement on Statement Statement on Statement Statement Statement Statement Sta | State of Stee Mexico Emergy, Milesenia & Hosenia Brocurson Experimen GIE. COSPIGNOS PROSPORTO 1229 State No. Hosenia Str. States Fu, No. 67295 | Front 48 Franchage 1,001 Montoning trigging Obstroller Distroller |
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Form APD Comments

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Permit 250726

PERMIT COMMENTS

| Operator Name and Address: | API Number: | | |
|-----------------------------------|--------------------------------------|--|--|
| MARATHON OIL PERMIAN LLC [372098] | 30-025-44665 | | |
| 5555 San Felipe St. | Well: | | |
| Houston, TX 77056 | BLUEBERRY HILL FEE 24 35 19 WA #006H | | |

| Created By | Comment | Comment Date |
|--------------|--|--------------|
| acovarrubias | Fluid Type for Intermediate String will be Diesel/Brine Emulsion | 4/5/2018 |
| acovarrubias | FTP - 2,502' FNL & 330' FEL; 32.20342385, -103.39912901 | 4/5/2018 |
| acovarrubias | GCP, C-102, and Directional will be sent via email. | 4/5/2018 |
| pkautz | email sent requesting formation tops 04/06/2018 | 4/6/2018 |

Form APD Conditions

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Permit 250726

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: |
|-----------------------------------|--------------------------------------|
| MARATHON OIL PERMIAN LLC [372098] | 30-025-44665 |
| 5555 San Felipe St. | Well: |
| Houston, TX 77056 | BLUEBERRY HILL FEE 24 35 19 WA #006H |

| OCD | Condition |
|----------|---|
| Reviewer | |
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Will require a administrative order for non-standard location prior to placing the well on production. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface 2) PRODUCTION CASING - Cement must tie back into intermediate casing |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | 1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104 |
| pkautz | It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. |
| pkautz | Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe. |