

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Marathon Oil Company

3. ADDRESS OF OPERATOR
 P. O. Box 552, Midland, TX 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 1980' FNL & 1980' FWL
 At proposed prod. zone
 1980' FNL & 1980' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5-1/2 miles south of Maljamar, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'

16. NO. OF ACRES IN LEASE 280

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A

19. PROPOSED DEPTH 11,000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3880' GR 3880.3'

22. APPROX. DATE WORK WILL START*
 April 20, 1991

5. LEASE DESIGNATION AND SERIAL NO.
 NM-036852

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 Voluntary

8. FARM OR LEASE NAME
 Federal "3"

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Young (Wolfcamp ~~OK~~
 North Young Bone Spring)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 3, T-18-S, R-32-E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM Caplan Controlled Water Basin

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48	450'	835 sx - circulate
11"	8-5/8"	24 & 32	2800'	790 sx - circulate
7-7/8"	5-1/2"	15.5 & 17	11000'	950 sx - SEE STIPS.

Propose to drill to a TD of 11,000'.
 All casing will be run and cemented in accordance with regulations and by approved methods.
 Blowout prevention equipment will be applied as outlined in Additional Information. See attached Multipoint Surface Use Plan and Additional Information for specific drilling operations.
 This well will be the first Bone Spring/Wolfcamp well drilled on this lease.

APPROVAL SUBJECT TO
 SPECIAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Drilling Superintendent DATE 3/28/91

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY _____ TITLE _____ DATE 4-19-91
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

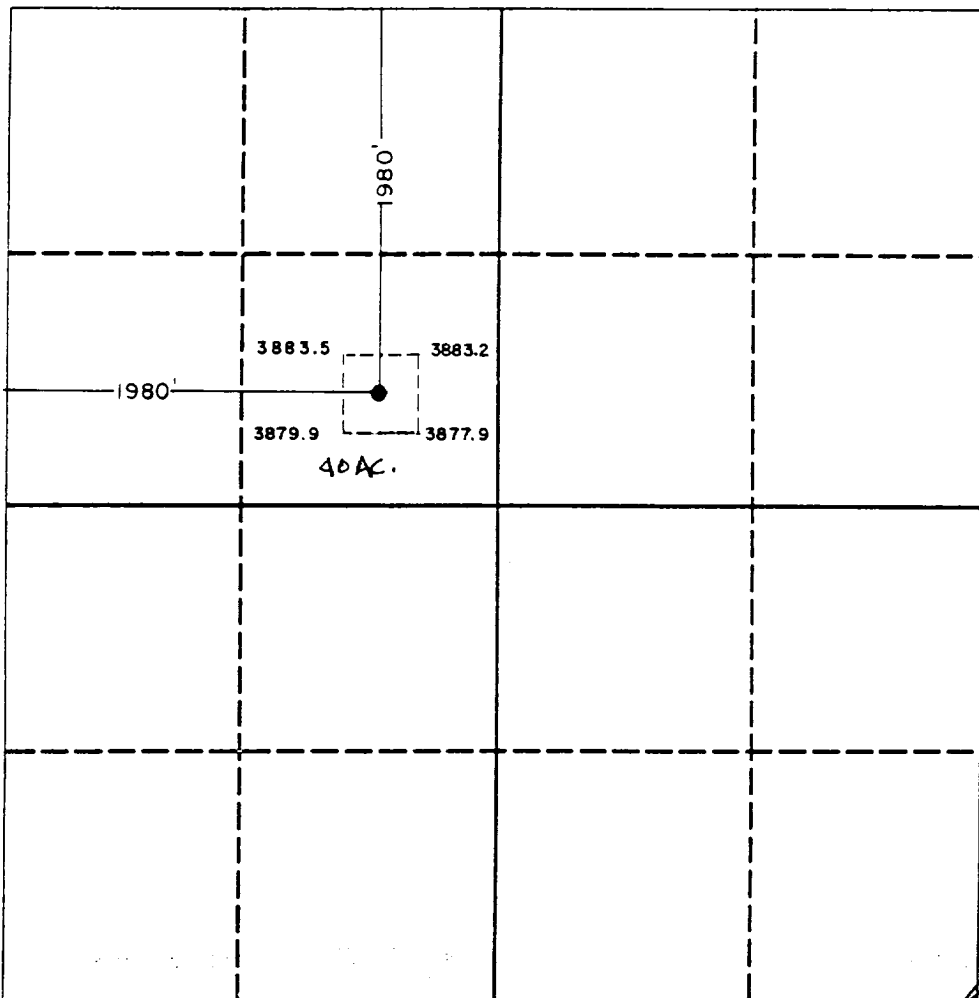
DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARATHON OIL CO.			Lease FEDERAL "3"		Well No. 1
Unit Letter F	Section 3	Township 18 SOUTH	Range 32 EAST	County LEA	
Actual Footage Location of Well: 1980 feet from the WEST line and 1980 feet from the NORTH line					
Ground level Elev. 3880.3	Producing Formation Bone Spring/Wolfcamp		Pool Young wolfcamp or North Young Bone Spring	Dedicated Acreage: 40 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					

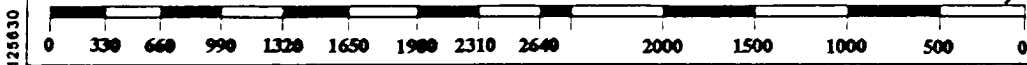


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*
 Printed Name: S. L. Atnipp
 Position: Drilling Superintendent
 Company: Marathon Oil Company
 Date: 3/28/91

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 3-21-91
 Signature & Seal of Professional Surveyor: *[Signature]* 576
 Certificate No. JOHN W. WEST, 676
 RONALD J. EIDSON, 3239



125630

MARATHON OIL COMPANY

FEDERAL "3" #1
ADDITIONAL INFORMATION
Comply with Order 1

In conjunction with Form 9-331C, Application to drill subject well, Marathon Oil Company submits the following items of information in accordance with BLM requirements:

1. Geological Name of Surface Formation

Quaternary Alluvium

2. Estimated Tops of Important Geological Markers

Rustler	1195'	Delaware	5035'
Base of Salt	2432'	Bone Spring	5911'
Yates	2674'	1st Sand	7623'
Seven Rivers	3087'	2nd Carb	7722'
Queen	3792'	2nd Sand	8236'
Grayburg	4275'	3rd Carb	8847'
		Wolfcamp	9064'

3. Estimated Depths of Anticipated Water, Oil or Gas Bearing Formations

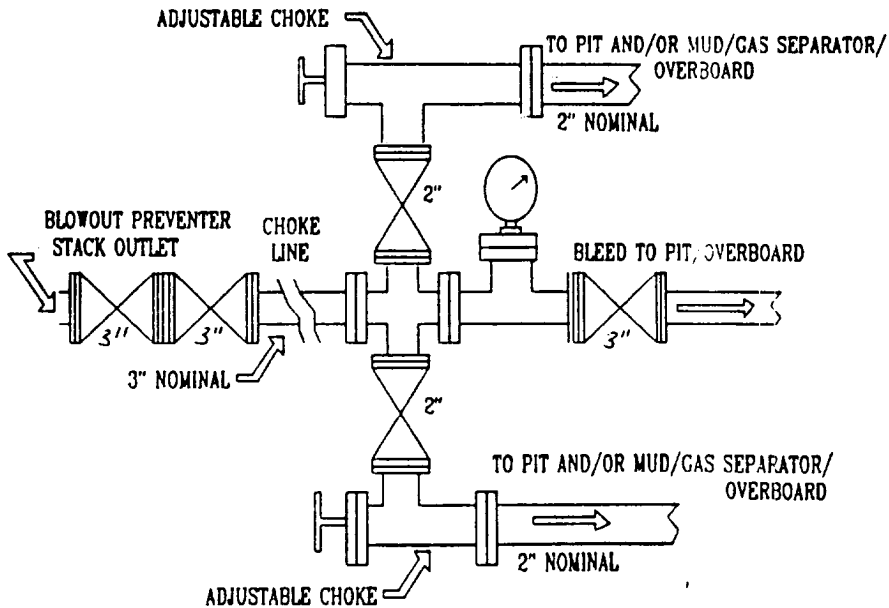
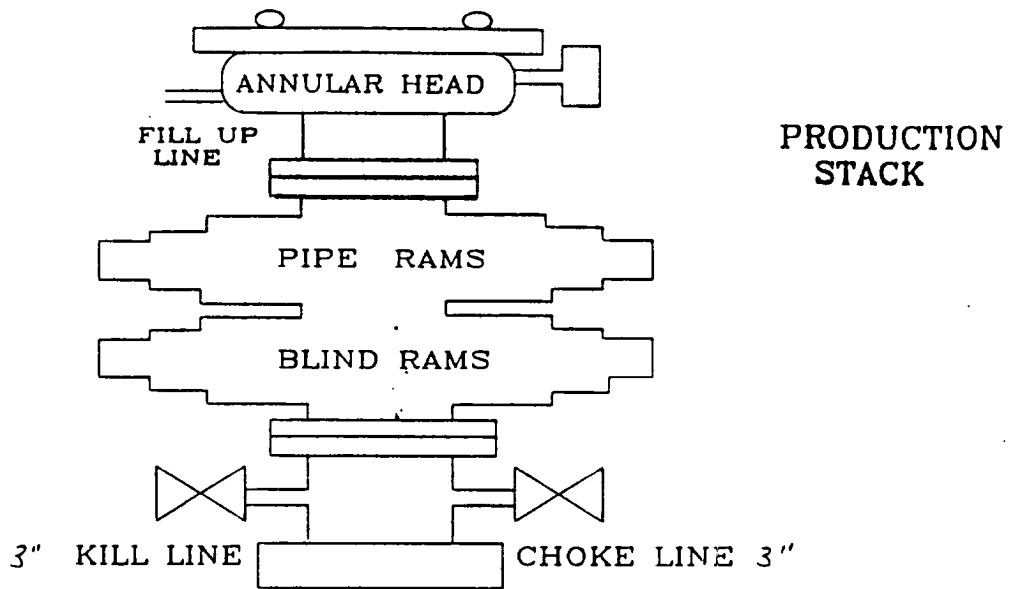
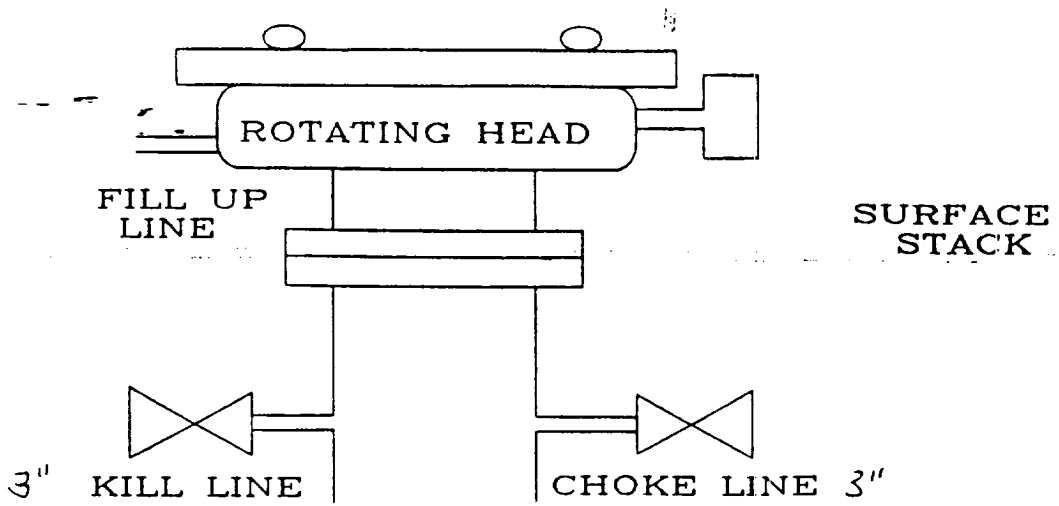
Yates (water)	2674'	Bone Spring	5911'
Seven Rivers (water)	3087'	1st Sand (water & oil)	7623'
Queen (water & oil)	3792'	2nd Carb (water & oil)	7722'
Grayburg (water & oil)	4275'	2nd Sand (water & oil)	8236'
Delaware (water & oil)	5035'	3rd Carb (water & oil)	8847'
		Wolfcamp (gas & oil)	9064'

4. Casing and Cementing Program

13-3/8" Surface to 450': Cement to surface with 510 sxs Class "C" with 2% CaCl₂

8-5/8" Intermediate to 2800': Cement to surface with 490 sxs Modified Lite followed by 300 sxs Class "C" with 2% CaCl₂

5-1/2" Production to 11,000': Cement to 2500' with 650 sx Class "H" PozMix; tail in with 100 sx Class "H". Second stage 500 sx Class "H". Possible stage tool setting @ 7000'.



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APR 22 1991

OFFICE
HOBBS OFFICE

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