

District I
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 239323

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MARATHON OIL PERMIAN LLC 5555 San Felipe St. Houston, TX 77056		2. OGRID Number 372098
4. Property Code 318400		3. API Number 30-015-44328
5. Property Name Southern Comfort 25 26 State X		6. Well No. 002H

7. Surface Location

UL - Lot I	Section 25	Township 24S	Range 28E	Lot Idn i	Feet From 2404	N/S Line S	Feet From 1236	E/W Line E	County Eddy
---------------	---------------	-----------------	--------------	--------------	-------------------	---------------	-------------------	---------------	----------------

8. Proposed Bottom Hole Location

UL - Lot P	Section 36	Township 24S	Range 28E	Lot Idn P	Feet From 240	N/S Line S	Feet From 330	E/W Line E	County Eddy
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	----------------

9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
----------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 2912
16. Multiple N	17. Proposed Depth 17150	18. Formation Wolfcamp	19. Contractor	20. Spud Date 7/26/2017
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	400	450	0
Int1	12.25	9.625	36	2600	800	0
Prod	8.75	7	26	10500	1050	0
Liner1	6.125	4.5	13.5	17035	600	9200

Casing/Cement Program: Additional Comments

--

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	Shaffer
Double Ram	5000	5000	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 ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Randol C Tellkamp	Approved By: Raymond Podany
Title: Advanced Regulatory Compliance Rep	Title: Geologist
Email Address: rctellkamp@marathonoil.com	Approved Date: 7/24/2017 Expiration Date: 7/24/2019
Date: 7/24/2017 Phone: 713-296-4447	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0220
 District II
 811 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
 District IV
 1320 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		¹ Pool Code		¹ Pool Name PURPLE SAGE WOLFCAP	
⁴ Property Code		⁵ Property Name SOUTHERN COMFORT 25-36 STATE X			⁶ Well Number 2H
⁷ GRID No. 160825		⁸ Operator Name B.C. OPERATING, INC.			⁹ Elevation 2912
¹⁰ Surface Location					
UL or lot no. I	Section 25	Township T24S	Range R28E	Lot Idn 2404	Feet from the North/South line SOUTH
				Feet from the East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. P	Section 36	Township T24S	Range R28E	Lot Idn 240	Feet from the North/South line SOUTH
				Feet from the East/West line EAST	County EDDY
¹² Dedicated Acres 480.00		¹³ Joint or Infill		¹⁴ Consolidation Code	
				¹⁵ Order No. R 14348	

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

SECTION 23 SECTION 26 SURFACE HOLE LOCATION 2404' FSL 1236' FEL, SECTION 25 NAD 83, SPCS NM EAST Y432167.84' / X63331.99' LAT32.18775748N / LON104.03601696W NAD 27, SPCS NM EAST Y432109.30' / X592129.95' LAT32.18763489N / LON104.03552739W FIRST TAKE POINT 2310' FSL 330' FEL, SECTION 25 NAD 83, SPCS NM EAST Y432075.49' / X634213.94' LAT32.18749671N / LON104.03309549W NAD 27, SPCS NM EAST Y432016.94' / X593033.97' LAT32.18737407N / LON104.03260605W SECTION 26 SECTION 35 LAST TAKE POINT 330' FSL 330' FEL, SECTION 36 NAD 83, SPCS NM EAST Y424757.68' / X634170.22' LAT32.16738122N / LON104.03331571W NAD 27, SPCS NM EAST Y424699.27' / X592906.08' LAT32.16725034N / LON104.03282692W BOTTOM HOLE LOCATION 240' FSL 330' FEL, SECTION 36 NAD 83, SPCS NM EAST Y424667.68' / X634170.40' LAT32.16712381N / LON104.03331595W NAD 27, SPCS NM EAST Y424609.27' / X592906.08' LAT32.16688022N / LON104.03447094W T-24-S SECTION 35 T-25-S SECTION 2 CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 42425.89 / X: 631832.26 B - Y: 42426.25 / X: 634556.81 C - Y: 424426.61 / X: 634500.87 D - Y: 424421.13 / X: 631848.34		SECTION 24 SECTION 25 PRODUCING AREA SECTION 25 SECTION 36 CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 432367.36 / X: 596648.35 B - Y: 432367.69 / X: 593372.84 C - Y: 424370.21 / X: 593316.72 D - Y: 424362.76 / X: 598664.24		SECTION 19 SECTION 30 SECTION 30 SECTION 31 SECTION 31 SECTION 6		" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well or this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>[Signature]</i> Date: 7/20/2017 Printed Name: Melissa Szudera E-mail Address: mszudera@marathonoil.com "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 belief. JULY 06, 2017 Date of Survey Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: LLOYD P. SHORT 21653
---	--	--	--	---	--	---

District I
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 APD Comments

Permit 239323

PERMIT COMMENTS

Operator Name and Address: MARATHON OIL PERMIAN LLC [372098] 5555 San Felipe St. Houston, TX 77056		API Number: 30-015-44328
		Well: Southern Comfort 25 26 State X #002H

Created By	Comment	Comment Date
------------	---------	--------------

District I
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 APD Conditions

Permit 239323

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MARATHON OIL PERMIAN LLC [372098] 5555 San Felipe St. Houston, TX 77056		API Number: 30-015-44328
		Well: Southern Comfort 25 26 State X #002H
OCD Reviewer	Condition	
RPodany	Will require a directional survey with the C-104	
RPodany	Cement is required to circulate on both surface and intermediate1 strings of casing	