

| 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-103 August 1, 2011 Permit 249469 <hr/> WELL API NUMBER 30-015-42728 <hr/> 5. Indicate Type of Lease S <hr/> 6. State Oil & Gas Lease No. <hr/> 7. Lease Name or Unit Agreement Name BLACK RIVER 10 STATE COM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Type of Well: O | | 8. Well Number 002H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Name of Operator MARATHON OIL PERMIAN LLC | | 9. OGRID Number 372098 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Address of Operator 5555 San Felipe St., Houston, TX 77056 | | 10. Pool name or Wildcat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Well Location Unit Letter <u>P</u> : <u>270</u> feet from the <u>S</u> line and feet <u>1070</u> from the <u>E</u> line Section <u>15</u> Township <u>24S</u> Range <u>27E</u> NMPM _____ County <u>Eddy</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.) 3231 GR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data <table style="width:100%;"> <tr> <td colspan="2" style="text-align: center;">NOTICE OF INTENTION TO:</td> <td colspan="2" style="text-align: center;">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table> | | | NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | | Other: _____ | | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. MIRU, Spud 10/1/2017. Drill 17.5" hole to 480', run 13 5/8" csg, cement casing, NU BOP, pressure test annular (250/2500), valves (250/5000), VBRs (250/5000), HCR (250/5000), Mud Pumps (250/5000). Pressure test casing to 1500 psi for 30 minutes, held, test good. Drill 12 1/4" hole to TD 2,342', run 9 5/8" csg, cement casing, pressure test casing to 1500 psi for 30 minutes, held, test good. Drill 8 3/4" hole to 9,300', run 7 5/8" casing, cement, pressure test casing to 4000 psi for 30 minutes, held, test good. Drill 6 1/8" hole to 19,145', run 4.5" casing, cement liner, pressure test casing to 10/1/2017 Spudded well. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Casing and Cement Program <table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>10/02/17</td> <td>Surf</td> <td>FreshWater</td> <td>17.5</td> <td>13.375</td> <td>54.5</td> <td>J55</td> <td>36</td> <td>470</td> <td>409</td> <td>1.7</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>11/12/17</td> <td>Int1</td> <td>Brine</td> <td>12.25</td> <td>9.625</td> <td>40</td> <td>J55</td> <td>30</td> <td>2332</td> <td>790</td> <td>1.78</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>11/17/17</td> <td>Prod</td> <td>CutBrine</td> <td>8.75</td> <td>7.625</td> <td>29.7</td> <td>P110</td> <td>30</td> <td>9290</td> <td>685</td> <td>2.76</td> <td>c</td> <td></td> <td>4000</td> <td>0</td> <td>N</td> </tr> <tr> <td>12/04/17</td> <td>Liner1</td> <td>OilBasedMud</td> <td>6.125</td> <td>4.5</td> <td>13.5</td> <td>P110</td> <td>4700</td> <td>19128</td> <td>1490</td> <td>1.22</td> <td>H</td> <td></td> <td>5000</td> <td>0</td> <td>N</td> </tr> </tbody> </table> | | | Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole | 10/02/17 | Surf | FreshWater | 17.5 | 13.375 | 54.5 | J55 | 36 | 470 | 409 | 1.7 | C | | 1500 | 0 | N | 11/12/17 | Int1 | Brine | 12.25 | 9.625 | 40 | J55 | 30 | 2332 | 790 | 1.78 | C | | 1500 | 0 | N | 11/17/17 | Prod | CutBrine | 8.75 | 7.625 | 29.7 | P110 | 30 | 9290 | 685 | 2.76 | c | | 4000 | 0 | N | 12/04/17 | Liner1 | OilBasedMud | 6.125 | 4.5 | 13.5 | P110 | 4700 | 19128 | 1490 | 1.22 | H | | 5000 | 0 | N |
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| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Comments

Permit 249469

DRILLING COMMENTS

| | |
|---|--------------------------|
| Operator: MARATHON OIL PERMIAN LLC 5555 San Felipe St. Houston, TX 77056 | OGRID: 372098 |
| | Permit Number: 249469 |
| | Permit Type: Drilling |

Comments

| Created By | Comment | Comment Date |
|------------|--|--------------|
| rklein | Rule 19.15.7.14 - Report of casing, cement job, test, casing pressure tests shall be reported within 10 days of the setting of each string of casing or liner. | 3/9/2018 |