

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

- NSL NSP DD SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

- DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

- WFX PMX SWD IPI EOR PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

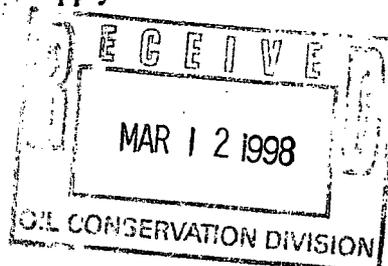
[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached



[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

WAHER DUEEASE

Print or Type Name

Walter Duee

Signature

Title

3/10/98

Date



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

March 10, 1998

New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attention: Michael E. Stogner
Chief Hearing Examiner

Re: Application for administrative approval of an unorthodox location, South Dagger Draw Upper Pennsylvanian Associated Pool, North Indian Basin Well #10 (API - 30-015-27930), 330' FNL & 2310' FWL, (Unit C), Section 11, T-21-S, R-23- E, NMPM, Eddy County, New Mexico.

Dear Mr. Stogner:

Marathon Oil Company respectfully requests administrative approval for an unorthodox well location for the above referenced well which was spudded March 8, 1995 and is currently producing from the South Dagger Draw Upper Pennsylvanian Associated pool. At the time the North Indian Basin Well #10 was proposed to be drilled in early 1995, the geologic interpretation implied that pushing the location as far North as possible within Section 11 would provide two main benefits. The target intervals for the well were the Cisco and Canyon formations. The Cisco porosity "fairway" was interpreted to trend SW to NE across the northwest corner of Section 11. An unorthodox Northerly location would be expected to have as much as 10 feet of additional Cisco pay above a 3% porosity cutoff. The interpreted Canyon porosity "fairway" followed the same trend as that in the Cisco, and an unorthodox Northerly location was expected to have 10 feet of additional Canyon pay above a 3% porosity cutoff. In total, the expected additional pay was about 20 feet for the unorthodox location at which the NIBU #10 was drilled.

While a directional hole could have been drilled, Marathon did not consider this to be a justifiable course of action in light of the additional mechanical risk and the geologic interpretation.

" Special Rules and Regulations For The South Dagger Draw-Upper Pennsylvanian Associated Pool" provides that wells be no closer than 660 feet to the outer boundary of a 320-acre spacing unit and not closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.

The following items are being submitted in support of this request:

1. Plat referencing the offset operators.
2. Plat referencing the unorthodox well and its spacing unit.
3. Plats showing the Cisco and Canyon net porosity intervals.

The proposed spacing and proration unit for this well will comprise the W/2, 320 acres of said section 11.

By separate letter Marathon Oil Company has sent notification via certified return receipt mail to the affected party listed below by submitting a copy of this application and plats required by NMOCD rules.

OFFSET OPERATOR LIST

Santa Fe energy Resources

Pursuant to NMOCD rule 104. F. (3) Marathon Oil Company seeks to justify this non standard location based on geological interpretation and submits this request for administrative approval.

Should you have any questions regarding this matter please contact me at (800) 351-1417.

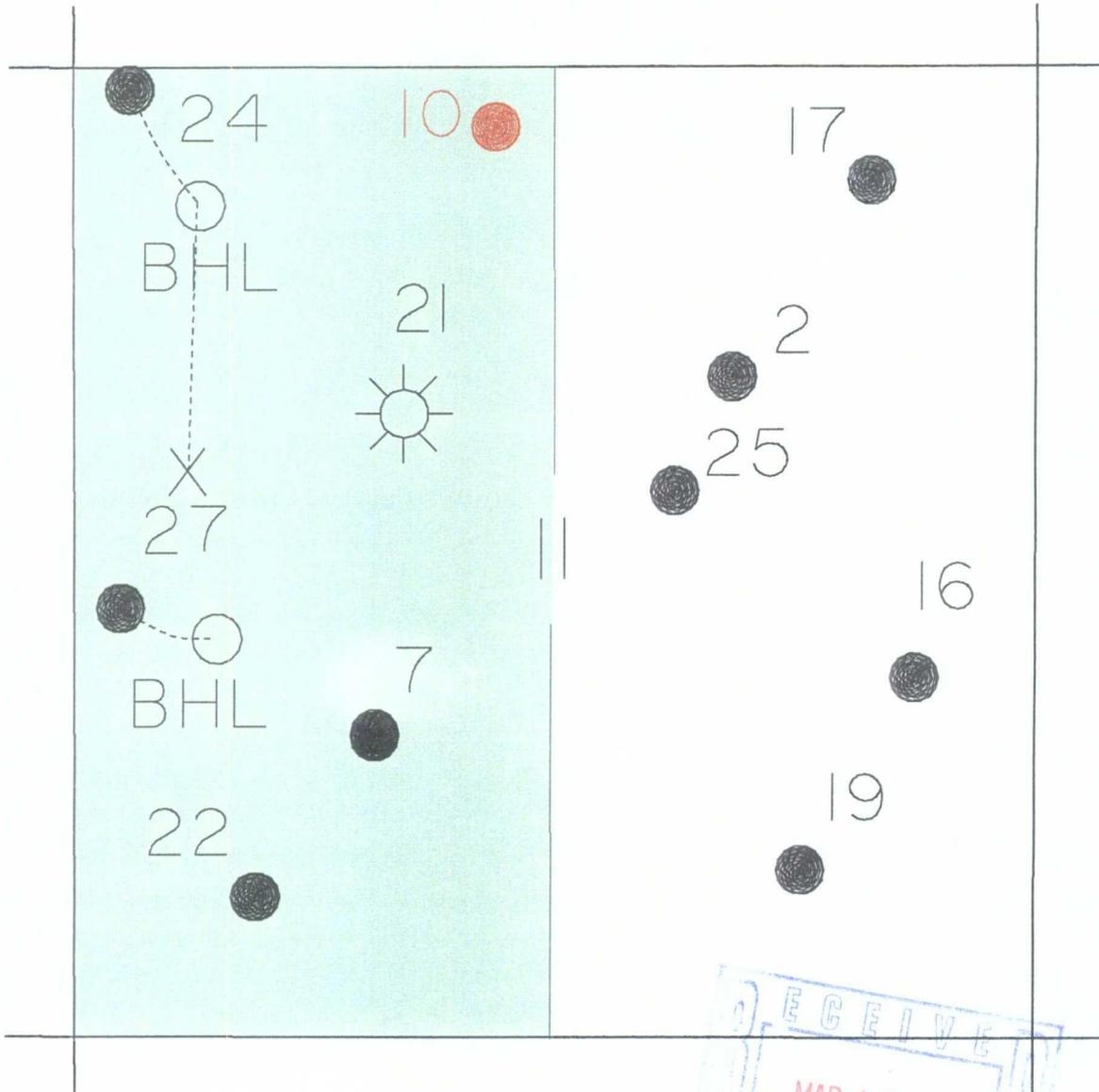
Very truly yours,



Walter J. Duesease, Jr.

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**320 ACRE
PRORATION UNIT**

**MARATHON OIL COMPANY
MID-CONTINENT REGION**

**NORTH INDIAN
BASIN UNIT LEASE**

**S. DAGGER DRAW
(U. PENN. ASSOC.)**

EDDY COUNTY, NEW MEXICO

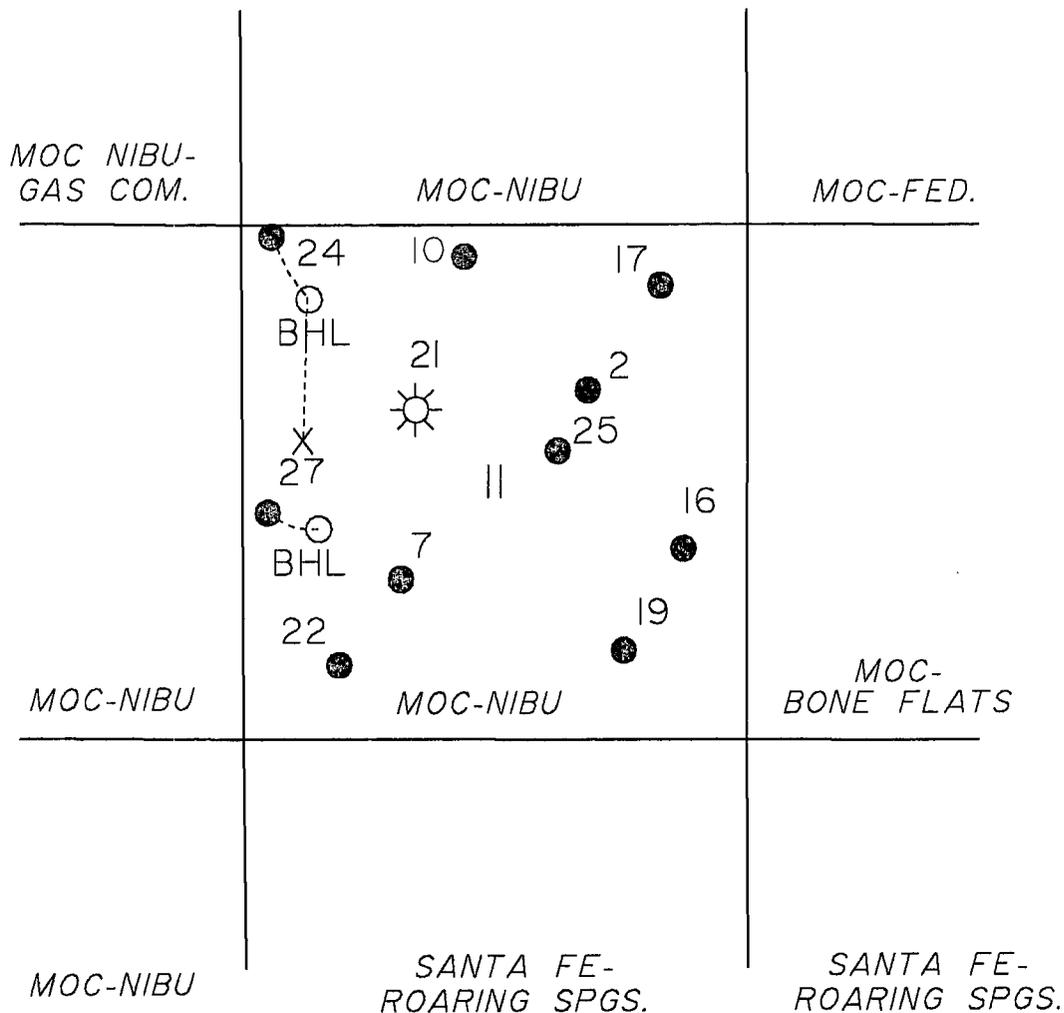
NIBU #10

1" = 1000'

2/98

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MARATHON OIL COMPANY
 MID-CONTINENT REGION
**NORTH INDIAN
 BASIN UNIT LEASE**

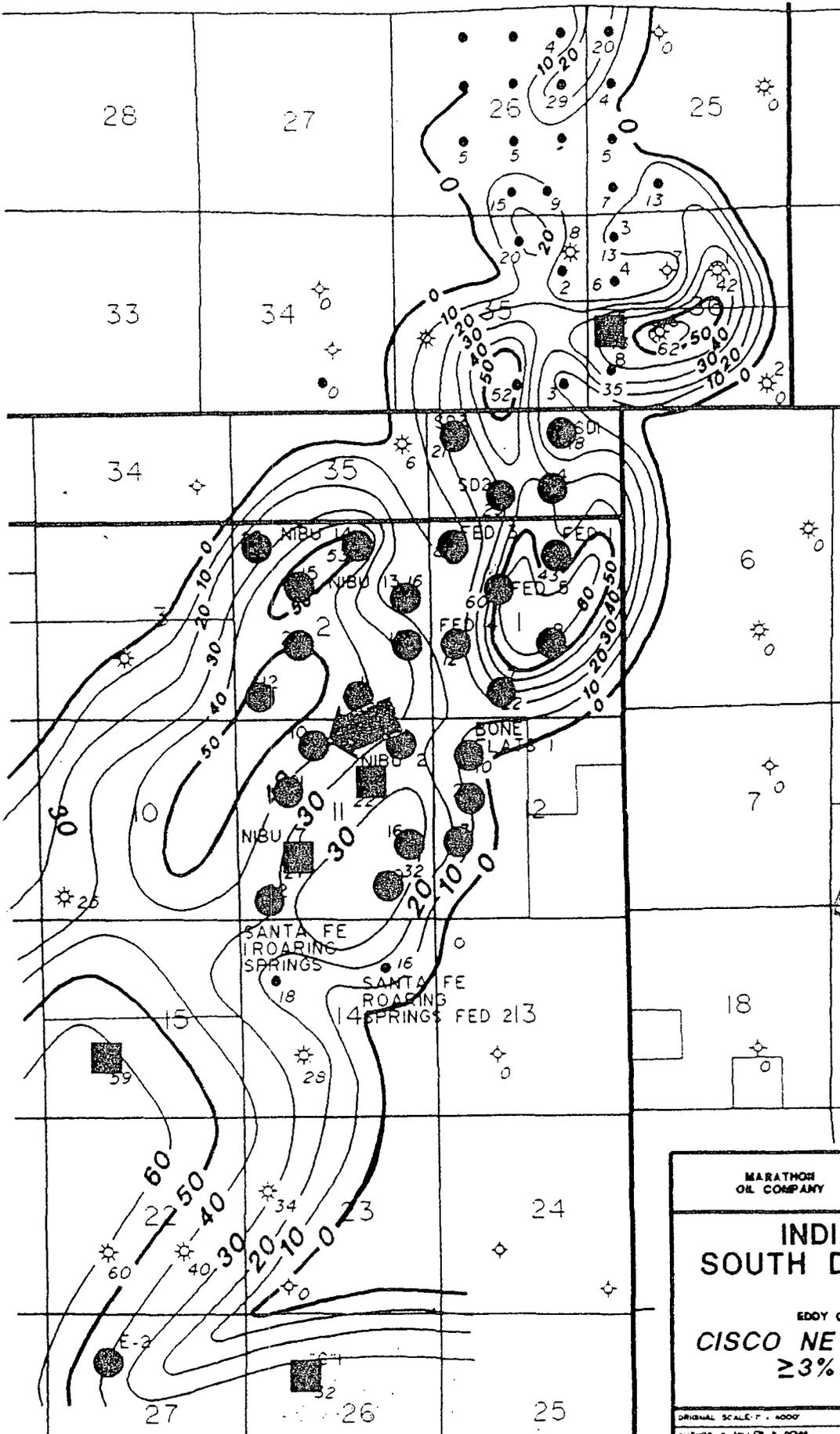
**S. DAGGER DRAW
 (U. PENN. ASSOC.)**
 EDDY COUNTY, NEW MEXICO

OFFSET OPERATORS

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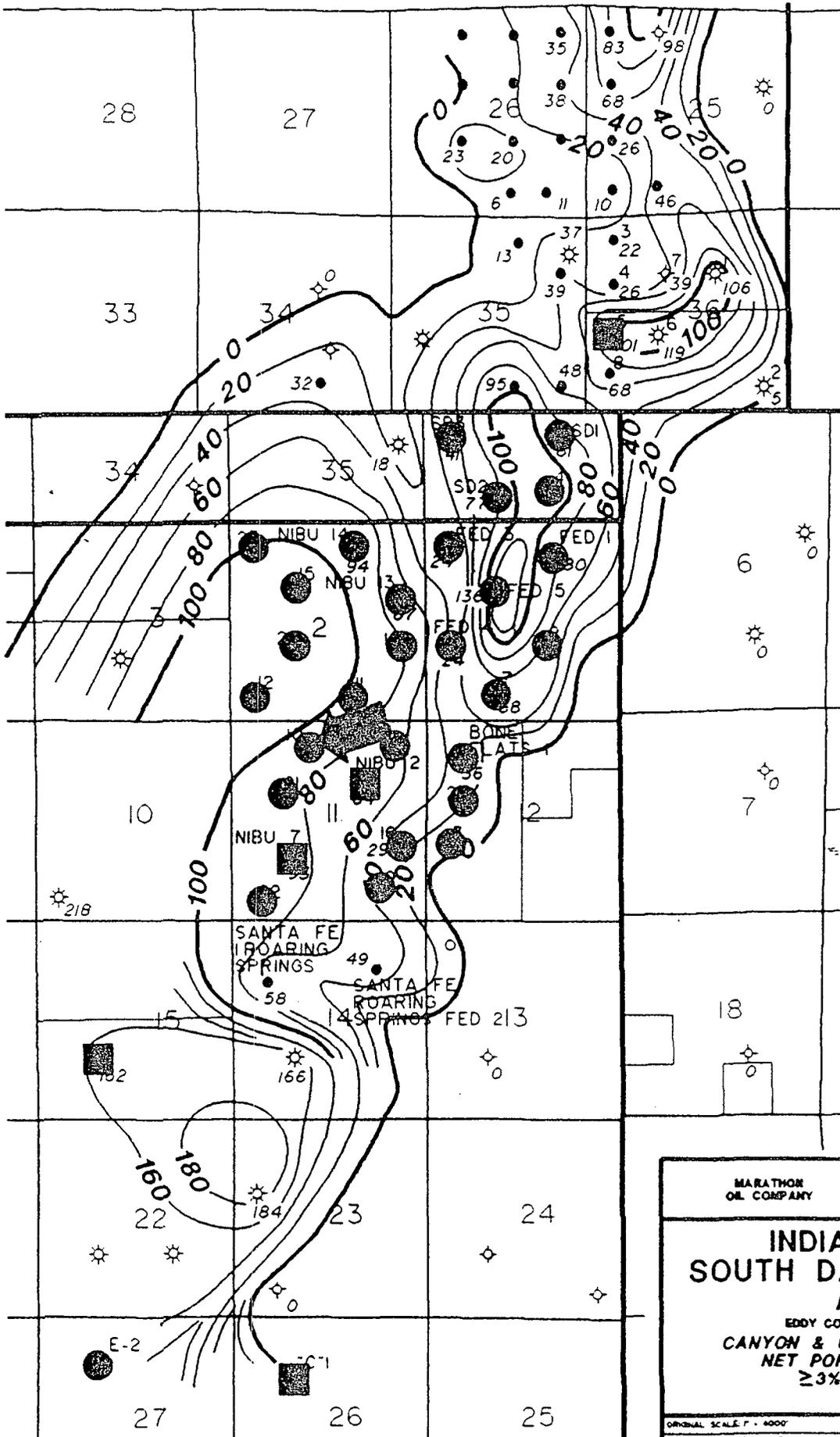
MAR 12 1998
 OIL CONSERVATION DIVISION
 ● 1994 WELL
 ● 1995 WELL

MARATHON OIL COMPANY	MID-CONTINENT REGION
INDIAN BASIN SOUTH DAGGER DRAW AREA EDDY COUNTY, NEW MEXICO CISCO NET POROUS DOLO. ≥3% POROSITY C.I. 25'	
ORIGINAL SCALE: 7" = 4000'	DATE: 8/84
AUTHOR: K. MILLER, B. DENIS	REVISED: 12/84
DRAFTED BY:	PROJECT:
	FILE LOGS, OPERATIONS EXP.

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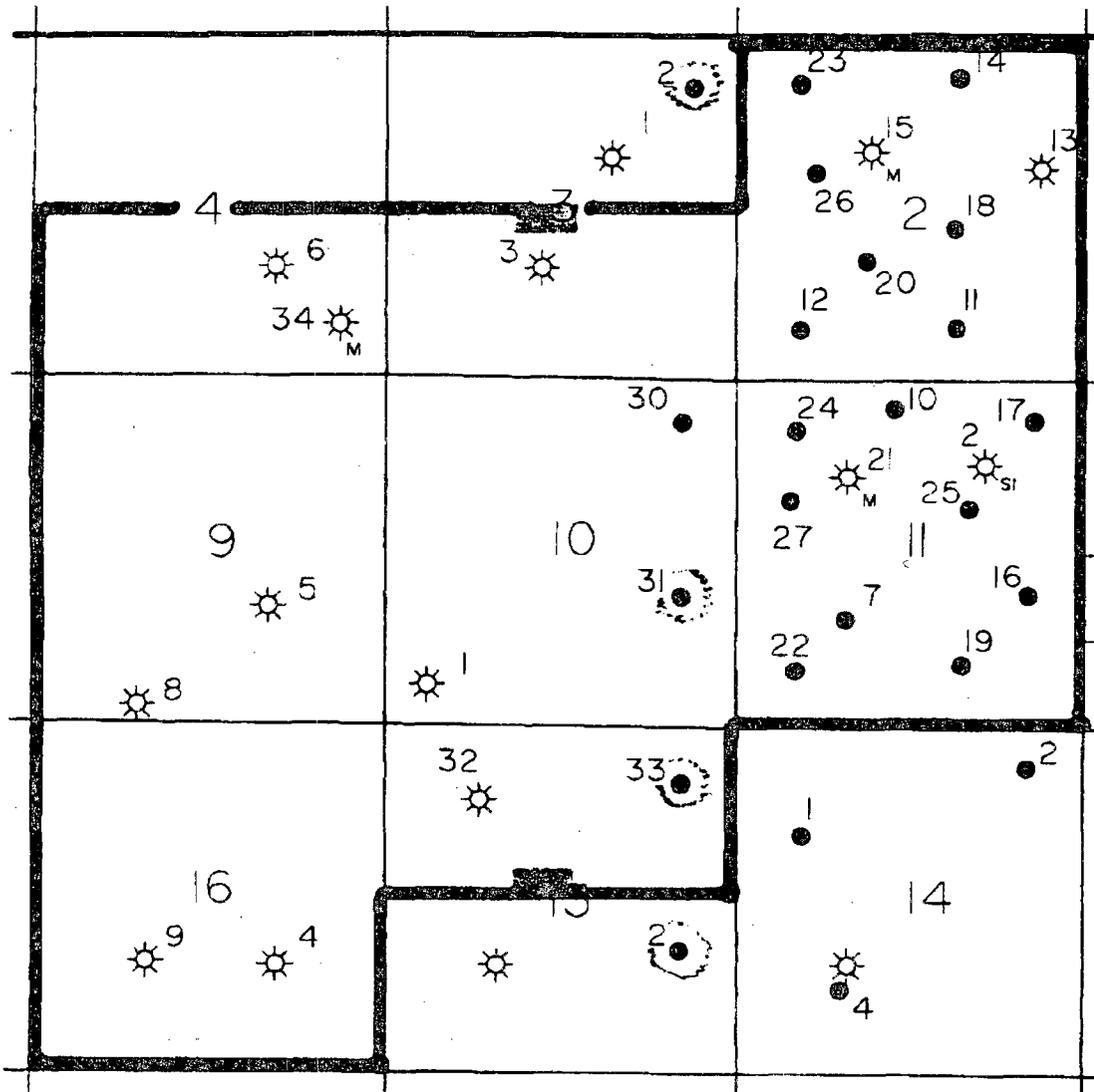
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- 1994 WELL
- 1995 WELL

MARATHON OIL COMPANY	MID-CONTINENT REGION
INDIAN BASIN SOUTH DAGGER DRAW AREA EDDY COUNTY, NEW MEXICO CANYON & UPPER 2nd CANYON NET POROUS DOLOMITE ≥3% POROSITY C.I. 20'	
ORIGINAL SCALE: 1" = 4000'	DATE: 8/94
AUTHOR: A. MILLER, B. DODD	REVISED: 12/94
PRINTED BY:	PROJECT:
	FILE LOC.: 09/BAZ/AF/EXP.

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- UPPER PENN. OIL
- ☀ UPPER PENN. GAS
- ☀_M MORROW GAS
- ☀_● PROPOSED WELL LOCATION

-  NIBU
-  INDIAN BASIN GAS POOL
-  SOUTH DAGGER DRAW POOL

MARATHON OIL COMPANY
MID-CONTINENT REGION

INDIAN BASIN AREA
EDDY COUNTY, NEW MEXICO

**NORTH INDIAN
BASIN UNIT**



MILE

IBFUPOMG AFE EXPL

S.HAIDER
11/97



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87508
(505) 827-7131

February 13, 1998

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Thomas M. Price
Advanced Engineering Technician

Re: *Application for administrative approval of an unorthodox location in the South Dagger Draw-Upper Pennsylvanian Associated Pool for the North Indian Basin Unit Well No. 10 (API No. 30-015-27930), located 330' FNL & 2310' FWL (Unit C) of Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, which was drilled in the spring of 1995.*

Dear Mr. Price:

I am returning the subject application that was submitted to the Artesia District Office of the Division in June, 1997 as incomplete and improper, please refer to Division Rule 104.F(3) and submit to the Santa Fe office of the Division the appropriate information to justify the drilling of this well at an unorthodox location within the existing standard 320-acre spacing and proration unit that comprises the W/2 of said Section 11. Please explain in detail and show on attached plat(s) why all other possible standard locations were not available to Marathon Oil Company for a drilling location. Please also address why this well can not be directionally drilled to a standard subsurface bottomhole location like the North Indian Basin Unit Well Nos. 24 (API No. 30-015-28814) and 27 (API No. 30-015-28977) in Units "D" and "L" of said Section 11, respectively (see copies of Division Administrative Orders DD-131 and DD-131-A attached).

If a proper application in this matter has not been submitted within the next 30-days, the Division will proceed in taking any appropriate action deemed necessary in this matter. Thank you.

Should you have any questions concerning this matter, you will first want to direct them to your legal counsel, Mr. W. Thomas Kellahin in Santa Fe at (505) 982-4285.

Marathon Oil Company

FEB 19 1998

HGAT
MID-CONTINENT REGION

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
W. Thomas Kellahin, Legal Counsel for Marathon Oil Company - Santa Fe

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

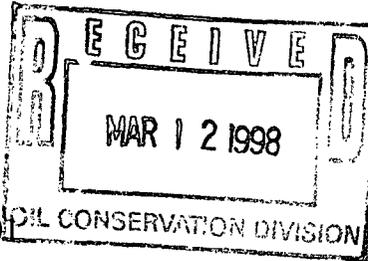
TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

March 12, 1998



HAND DELIVERED

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87501

Re: North Indian Basin Unit Well No. 10 (API 30-015-27930)
*Administrative Application of Marathon Oil Company for approval
of an Unorthodox Gas Well Location, Eddy County, New Mexico*

Dear Mr. Stogner:

In accordance with your letter dated February 13, 1998 (copy enclosed), Marathon Oil Company has sent me its revised application which I have reviewed and now forward to you for consideration.

In addition, I have enclosed a copy of a map showing the outline of the North Indian Basin Unit which is a voluntary exploratory unit operated by Marathon. As you can see, the subject well's spacing unit is surrounded by acreage in the North Indian Basin Unit and the well encroaches towards the S/2 of Section 2 which is in this unit. Thus all affected interest owners are sharing in production from this well.

Finally, I have asked Marathon to review its records to determine why it did not obtain Division approval for this unorthodox location prior to drilling the well. Marathon unintentionally overlooked this requirement. Marathon recognizes the necessity for timely obtaining proper Division approval and apologizes for failing to do so in this case.

Please call me if I can be of assistance in this matter.

Very truly yours,

W. Thomas Kellahin

fx: Marathon Oil Company
Attn: Thomas C. Lowry, Esq.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 13, 1998

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Thomas M. Price
Advanced Engineering Technician

Re: Application for administrative approval of an unorthodox location in the South Dagger Draw-Upper Pennsylvanian Associated Pool for the North Indian Basin Unit Well No. 10 (API No. 30-015-27030), located 330' FNL & 2310' FWL (Unit C) of Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, which was drilled in the spring of 1995.

Dear Mr. Price:

I am returning the subject application that was submitted to the Artesia District Office of the Division in June, 1997 as incomplete and improper, please refer to Division Rule 104.F(3) and submit to the Santa Fe office of the Division the appropriate information to justify the drilling of this well at an unorthodox location within the existing standard 320-acre spacing and proration unit that comprises the W/2 of said Section 11. Please explain in detail and show on attached plat(s) why all other possible standard locations were not available to Marathon Oil Company for a drilling location. Please also address why this well can not be directionally drilled to a standard subsurface bottomhole location like the North Indian Basin Unit Well Nos. 24 (API No. 30-015-28814) and 27 (API No. 30-015-28977) in Units "D" and "L" of said Section 11, respectively (see copies of Division Administrative Orders DD-131 and DD-131-A attached).

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Should you have any questions concerning this matter, you will first want to direct them to your legal counsel, Mr. W. Thomas Kellahin in Santa Fe at (505) 982-4285.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
W. Thomas Kellahin, Legal Counsel for Marathon Oil Company - Santa Fe



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

RECEIVED
JUN 23 1987

RECEIVED

JUN 23 1987

New Mexico Oil Conservation Division
District II
811 South First Street
Atresia, New Mexico 88210

RE: North Indian Basin Unit Well(s) 10,18,26

Dear Mr. Gum

Marathon Oil Company is requesting that the referenced wells be granted Administrative NON STANDARD LOCATION status. These wells are inside MOC operated leases as shown on the attached plat. Proration units in Section 2 were switched from the original stand up proration units to lay downs which allowed for the horizontal drilling on NIBU No. 14. This allows for more efficient production of the resource, however it did create the need for NSL status for wells 18 and 26. Well No. 10 was drilled as a NSL because archaeological finds restricted the well from a standard location. Well location information is listed below.

<u>North Indian Basin Unit</u>		<u>T21S, R23E</u>	
<u>Well No.</u>	<u>UL</u>	<u>Location</u>	<u>Section</u>
10	C	330' FNL & 2310' FWL	11 X
18	J	2310' FSL & 1650' FEL	2-OK
26	E	2310' FNL & 660' FWL	2-OK

A drawing is attached showing locations and proration units. You may call either myself or Mr. John Kloosterman at 1-915-682-1626 with questions.

Sincerely

Thomas M. Price
Advanced Engineering Technician

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
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- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Thomas M Price
 Print or Type Name

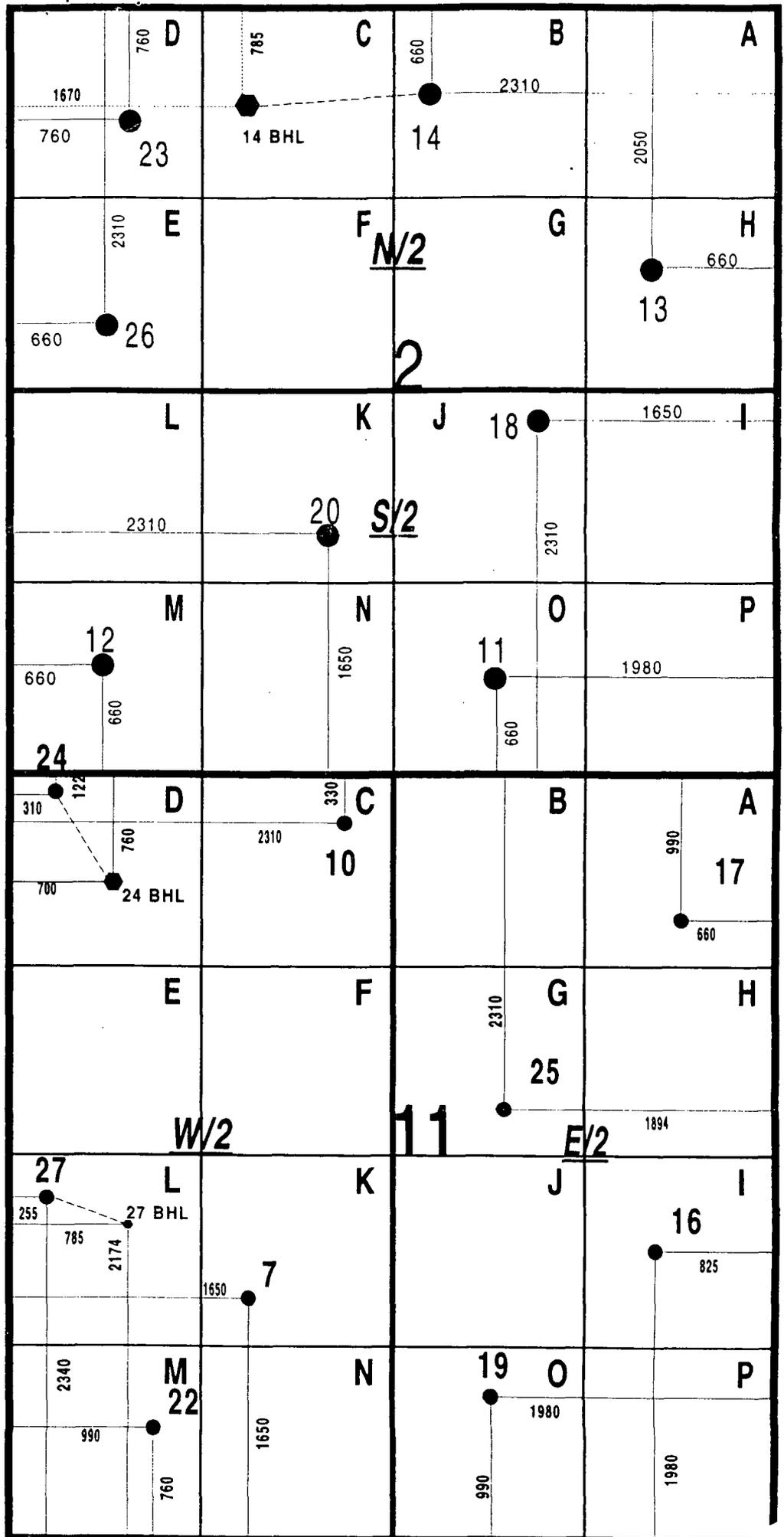
Thomas M Price
 Signature Title

6-19-97
 Date

R23E

T21S

Marathon Oil Co.
North Indian Basin Unit
Section 2, 11
One Inch = 1,000'





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 22, 1996

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702
Attention: Walter J. Dueease

Administrative Order DD-131-A

Dear Mr. Dueease:

Under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, Marathon Oil Company made application to the New Mexico Oil Conservation Division on January 30, 1996 for authorization to directional drill its proposed North Indian Basin Unit Well No. 27, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The operator proposes to locate said well at an unorthodox surface location 2340 feet from the South line and 255 feet from the West line (Unit L) of Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, drill vertically to a depth of approximately 5,000 feet, kickoff in a southeasterly direction and directionally drill to an estimated true vertical depth of 8,100 feet within the South Dagger Draw-Upper Pennsylvanian Associated Pool at a standard subsurface oil well location within the NW/4 SW/4 (Unit L) of said Section 11;
- (2) An existing 320-acre standard spacing and proration unit comprising the W/2 of said Section 11 is to be dedicated to said well;
- (3) By Order No. R-5353, as amended by supplemental Orders "A", "L", and "L-1", the Division promulgated "*Special Rules and Regulations For The South Dagger Draw-Upper Pennsylvanian Associated Pool*", which includes provisions for 320-acre spacing and proration units for both oil and gas and well location requirements which provides that wells be no closer than 660 feet to the outer boundary of a 320-acre spacing unit and not closer than 330 feet to any quarter-quarter section

line or subdivision inner boundary thereon;

- (4) It is necessary for the operator to directionally drill the Indian Basin Unit Well No 24 in the above-described manner in order to satisfy the United States Bureau of Land Management surface use restrictions and to obtain an acceptable subsurface location for this well;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the NW/4 SW/4 (Unit L) of said Section 11 that is no closer than 660 feet to the West line of said Section 11 nor closer than 330 feet to any internal quarter-quarter section line; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Marathon Oil Company, is hereby authorized to drill its North Indian Basin Unit Well No. 27 at an unorthodox surface location 2340 feet from the South line and 255 feet from the West line (Unit L) of Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico and directional drill in a southeasterly direction in such a manner as to bottom said well within the South Dagger Draw-Upper Pennsylvanian Associated Pool at a standard subsurface well location within the NW/4 SW/4 (Unit L) of said Section 11 that is no closer than 660 feet to the West line of said Section 11 nor closer than 330 feet to any internal quarter-quarter section line.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices

of the Division upon completion.

(3) The existing 320-acre standard spacing and proration unit comprising the W/2 of said Section 11 shall be dedicated to said well.

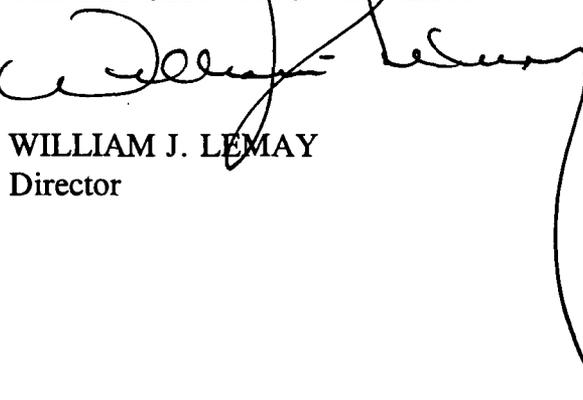
(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: DD-131 ✓



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 13, 1996

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Attention: Walter J. Ducease

Administrative Order DD-131

Dear Mr. Ducease:

Under the provisions of Rules 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, Marathon Oil Company made application to the New Mexico Oil Conservation Division on January 30, 1996 for authorization to directional drill its proposed North Indian Basin Unit Well No. 24, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The operator proposes to locate said well at an unorthodox surface location 122 feet from the North line and 310 feet from the West line (Unit D) of Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, drill vertically to a depth of approximately 5,000 feet, kickoff in a southeasterly direction and directionally drill to an estimated true vertical depth of 8,100 feet within the South Dagger Draw-Upper Pennsylvanian Associated Pool at a standard subsurface oil well location within the NW/4 NW/4 (Unit D) of said Section 11;
- (2) An existing 320-acre standard spacing and proration unit comprising the W/2 of said Section 11 is to be dedicated to said well;
- (3) By Order No. R-5353, as amended by supplemental Orders "A", "L", and "L-1", the Division promulgated "*Special Rules and Regulations For The South Dagger Draw-Upper Pennsylvanian Associated Pool*", which includes provisions for 320-acre spacing and proration units for both oil and gas and well location requirements which provides that wells be no closer than 660 feet to the outer boundary of a

320-acre spacing unit and not closer than 330 feet to any quarter-quarter section line or subdivision inner boundary thereon;

- (4) It is necessary for the operator to directionally drill the Indian Basin Unit Well No 24 in the above-described manner in order to satisfy the United States Bureau of Land Management surface use restrictions and to obtain an acceptable subsurface location for this well;
- (5) The applicable drilling window or "producing area" for said wellbore should include that area within the NW/4 NW/4 (Unit D) of said Section 11 that is no closer than 660 feet to either the North or West lines of said Section 11 nor closer than 330 feet to either internal quarter-quarter section line; and,
- (6) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Marathon Oil Company, is hereby authorized to drill its Indian Basin Unit Well No. 24 at an unorthodox surface location 122 feet from the North line and 310 feet from the West line (Unit D) of Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico and directional drill in a southeasterly direction in such a manner as to bottom said well within the South Dagger Draw-Upper Pennsylvanian Associated Pool at a standard subsurface well location within the NW/4 NW/4 (Unit D) of said Section 11 that is no closer than 660 feet to either the North or West lines of said Section 11 nor closer than 330 feet to either internal quarter-quarter section line.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The

applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

(3) The existing 320-acre standard spacing and proration unit comprising the W/2 of said Section 11 shall be dedicated to said well.

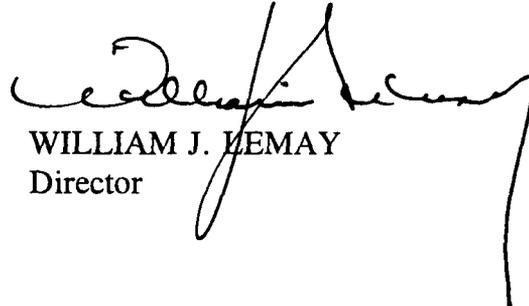
(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2779
Order No. R-2456

APPLICATION OF MARATHON OIL COMPANY
FOR APPROVAL OF THE NORTH INDIAN
BASIN UNIT AGREEMENT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 20, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of March, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Marathon Oil Company, seeks approval of the North Indian Basin Unit Agreement, covering 5,786 acres, more or less, of State and Federal Lands in Townships 20 $\frac{1}{2}$ and 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed North Indian Basin Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the North Indian Basin Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the North Indian Basin Unit Area, and such plan shall be known as the North Indian Basin Unit Agreement Plan.

(3) That the North Indian Basin Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the North Indian Basin Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

EDDY COUNTY, NEW MEXICO

TOWNSHIP 20½ SOUTH, RANGE 23 EAST

Section 36: All (Partial Section)

TOWNSHIP 21 SOUTH, RANGE 23 EAST

Section 1: All

Section 2: All

Section 3: S/2

Section 4: S/2

Section 9: All

Section 10: All

Section 11: All

Section 12: All

Section 15: N/2

Section 16: All

containing 5,786 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the North Indian Basin Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator

shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702 915/687/8324

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL "C", 330' FNL, 2310' FWL
SEC 11, T-21-S, R-23-E

UNM OIL CONS COMMISSION
FORM APPROVED
Artesian No. 1004-0135
Expires: March 31, 1993
RECEIVED
'95 OCT 25 AM

5. Lease Designation and Serial No.
NM-05608

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
North Indian Basin Unit

8. Well Name and No.

N. Indian Basin Unit 10

9. API Well No.

30/015/27930

10. Field and Pool, or exploratory Area

Dagger Draw; U. Penn Assoc S.

11. County or Parish, State

Eddy Co., NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Surface Commingle
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Marathon Oil Company requests that this well be included in the MOC FEDERAL CONSOLIDATED FACILITY, located in UL "D", Section 1, Township 21-S, Range 23-East. Surface Commingling, Off Lease Measurement and Storage, and the installation and use of a LACT were approved for the Consolidated Facility on October 5, 1994.

RECEIVED
OCT 11 11 29 AM '95
CARLETON RESOURCE AREA HEADQUARTERS

14. I hereby certify that the foregoing is true and correct

Signed Thomas P. [Signature] Title Advanced Engineering Tech. Date 10/6/95

(This space for Federal or State office use)

Approved by _____ Title _____ Date 10/16/95
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

To: Bureau of Land Management
P.O. Box 1778
Carlsbad, New Mexico
88220-1778

Marathon Oil Company is requesting approval for Surface Commingling, and Off Lease Storage & Measurement of Hydrocarbon Production from the following formation and well on Federal Lease No NM-05608; Lease Name: North Indian Basin Unit 14-08-0001(8508)

WELL

<u>NO.</u>	<u>LOCATION</u>	<u>SEC</u>	<u>TWP.</u>	<u>RNG</u>	<u>FORMATION</u>
10	UL "C" 330' FNL & 2310' FWL	11	21-S	23-E	Upper Penn

	<u>Oil API</u>	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
155	42.6	609

with the already commingled Hydrocarbon Production from the Upper Penn formation MOC Federal, located in Section 1, T-21-S, R-23-E, Eddy County, New Mexico.

	<u>Oil API</u>	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
682	42.0	9937

And with the already commingled Hydrocarbon Production from the Upper Penn formation on the Bone Flat Federal Com. # 91035 located in the West ½ of Section 12, T-21-S, R-23-E, Eddy, New Mexico.

	<u>Oil API</u>	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
1580	42.3	1947

And with the already commingled Hydrocarbon Production from the Upper Penn formation on the Stinking Draw lease numbers ST K-1877 and ST E-10169-1 located in the South ½ of Section 36, T-21 ½-S, R-23-E, Eddy County, New Mexico.

	<u>Oil API</u>	
<u>BOPD</u>	<u>Gravity</u>	<u>MCFPD</u>
319	42.2	4728

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and locating of all leases and wells that will contribute production to the commingling/common storage facility. All unitized/communitized areas and, producing zones/pools are also clearly illustrated. A schematic diagram is also illustrated which clearly identifies all equipment that will be utilized.

The Storage and Measuring facility is located at Unit Letter "D", Section 1, T-21-S, R-23-E, Eddy County, New Mexico. The BLM will be notified of any change in facility location.

Production will be allocated to this well based on monthly well tests and the previously approved methods of lease allocation.

The working interest owners were notified of the original commingling proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal Lease.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by lease instrument and, we will submit within 30 days an application for right-of-way to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature



Name: R. A. Biernbaum

Title: Manager, Indian Basin Asset Team

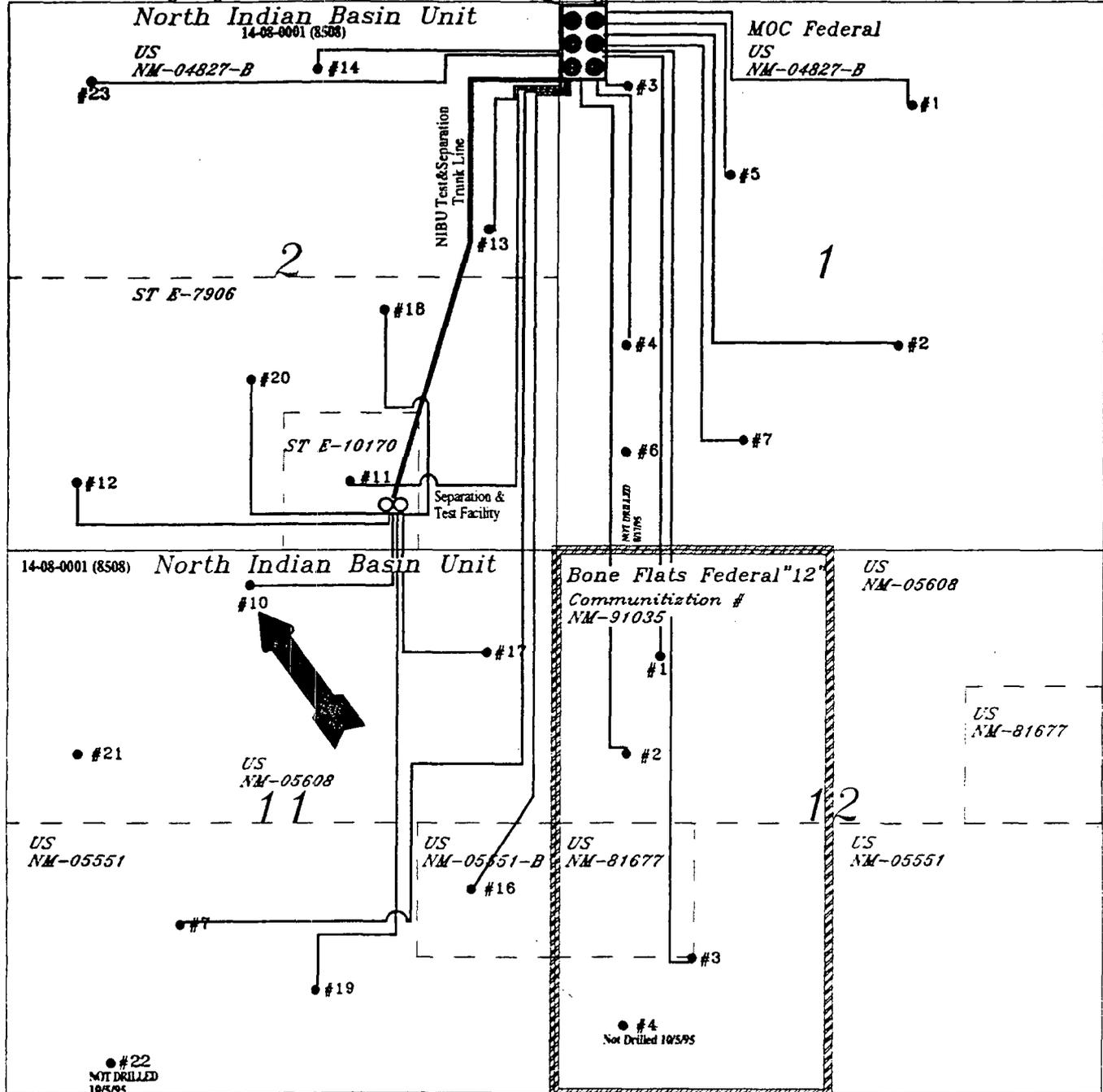
Date: October 9, 1995

MOC Federal Consolidated Facility
 Commingling Application
 North Indian Basin Unit,
 Stinking Draw, MOC Federal
 Bone Flats Federal "12" Com
 South Dagger Draw Field
 Eddy County, New Mexico

R-23-E

NOT TO SCALE

MOC Federal Consolidated Tank Battery
 UL "D", Section 1, T-21-S, R-23-E
 OCD Commingling Order # CTB 397



T-21 1/2-S

T-21-S

MOC FEDERAL	
1	990' FNL & 1855' FEL, SEC 1
2	1980' FSL & 1980' FEL, SEC 1
3	760' FNL & 660' FWL, SEC 1
4	1980' FSL & 660' FWL, SEC 1
5	1650' FNL & 1650' FWL, SEC 1
6	660' FSL & 1750' FWL, SEC 1
7	890' FSL & 1750' FWL, SEC 1
BONE FLATS "12" FEDERAL COM	
1	990' FNL & 990' FWL, SEC 12
2	1980' FNL & 660' FWL, SEC 12
3	1980' FSL & 660' FWL, SEC 12
4	660' FSL & 660' FWL, SEC 12
STINKING DRAW	
1	660' FNL & 1850' FEL, SEC 38
2	660' FSL & 1980' FWL, SEC 38
3	990' FNL & 990' FWL, SEC 38
4	970' FSL & 2076' FSL, SEC 38

NORTH INDIAN BASIN UNIT	
7	1650' FSL & 1650' FWL, SEC 11
10	330' FNL & 2310' FWL, SEC 11
11	660' FSL & 1980' FWL, SEC 2
12	660' FSL & 660' FWL, SEC 2
13	2050' FNL & 660' FWL, SEC 2
14	660' FNL & 2310' FWL, SEC 2
16	1980' FSL & 825' FWL, SEC 11
17	990' FNL & 660' FWL, SEC 11
18	2310' FSL & 1650' FWL, SEC 2
19	990' FSL & 1986' FWL, SEC 11
20	1650' FSL & 2310' FWL, SEC 2
21	1980' FNL & 660' FWL, SEC 11
22	760' FSL & 990' FWL, SEC 11
23	760' FNL & 760' FWL, SEC 2

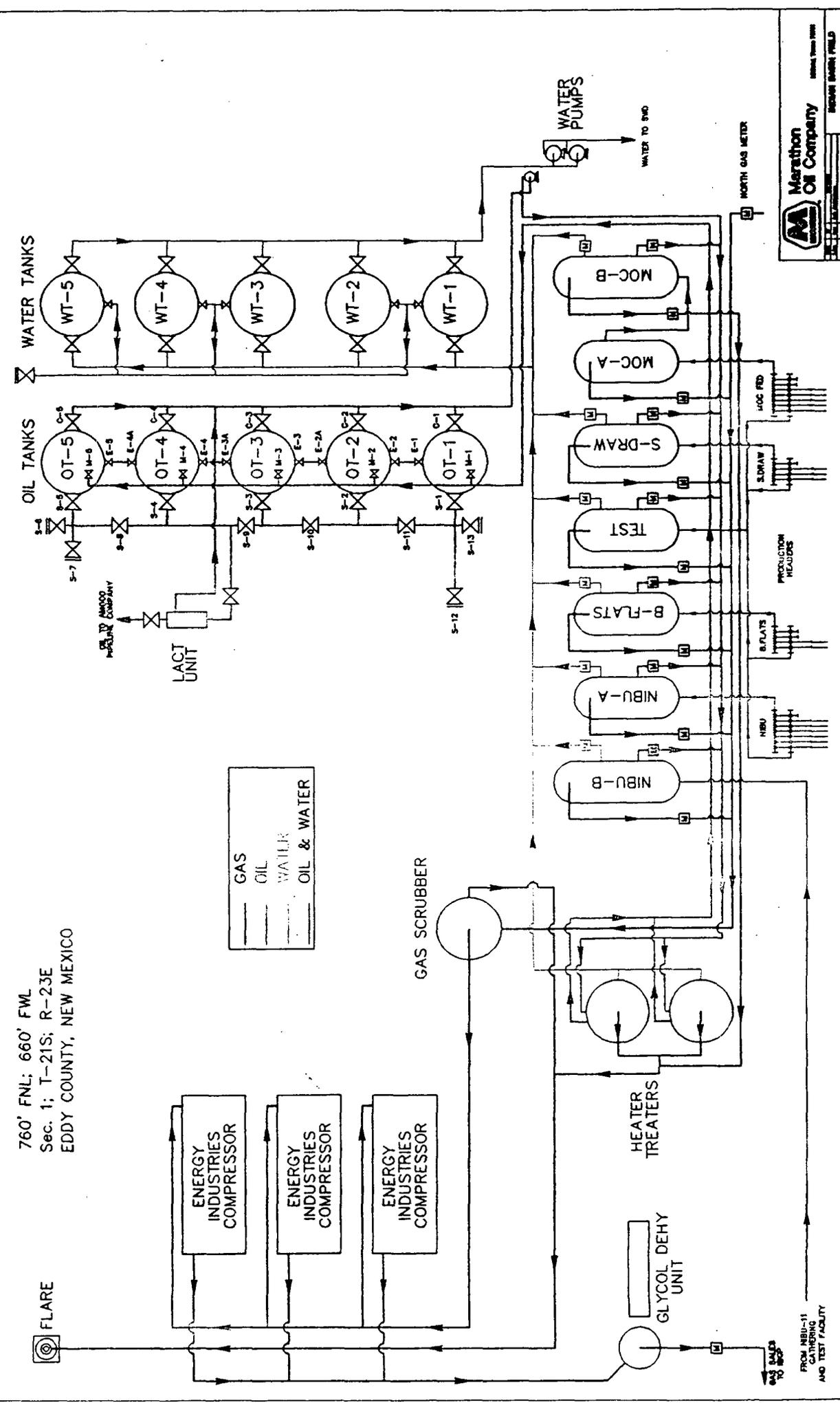
Communitization Boundary Line

Lease Line

Gathering Line

NIBU Test & Separation Facility Trunk Line

760' FNL; 660' FWL
 Sec. 1; T-21S; R-23E
 EDDY COUNTY, NEW MEXICO



---	GAS
---	OIL
---	WATER
---	OIL & WATER

Marathon Oil Company
 1960
 EDDY COUNTY, NEW MEXICO
 760' FNL; 660' FWL
 Sec. 1; T-21S; R-23E

FROM NEBU-11
 GATHERING
 AND TEST FACILITY
 GAS SALES
 TO MOC

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 X PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410-1717
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Marathon Oil Company P.O. Box 552 Midland, Texas 79702		² OGRID Number 014021
		³ Reason for Filing Code Request 1500 BBL Test Allow.
⁴ API Number 30-015-27930	⁵ Pool Name South Dagger Draw; Upper Penn Associated	⁶ Pool Code 15475
⁷ Property Code 6411	⁸ Property Name North Indian Basin Unit	⁹ Well Number 10

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
C	11	21-S	23-E		330	North	2310	West	Eddy

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
C	11	21-S	23-E		330	North	2310	West	Eddy

¹² Lse Code F	¹³ Producing Method Code Flowing	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
731	Amoco Pipeline Co. 502 North, West Avenue Levelland, TX. 79336	2813184	Oil	UL "C" Sec 11, T-21-S, R-23-E
014035	Marathon Oil Company PO Box 552 Midland, TX. 79702	2813183	Gas	UL "D", Sec 1, T-21-S, R-23-E

IV. Produced Water

²³ POD 2813185	²⁴ POD ULSTR Location and Description UL "D", Sec 1, T-21-S, R-23-E
-------------------------------------	--

V. Well Completion Data

²⁵ Spud Date 3-8-95	²⁶ Ready Date	²⁷ TD 8050	²⁸ PBSD 7947	²⁹ Perforations 7654-7830
³⁰ Hole Size 16"	³¹ Casing & Tubing Size Conductor	³² Depth Set 60'	³³ Sacks Cement 20"	
12 3/4"	9 5/8"	1,227'	800 SX	
8 3/4"	7"	8,042'	1,080 SX	

VI. Well Test Data

³⁴ Date New Oil 4/8/95	³⁵ Gas Delivery Date	³⁶ Test Date	³⁷ Test Length	³⁸ Tbg. Pressure	³⁹ Csg. Pressure
⁴⁰ Choke Size	⁴¹ Oil	⁴² Water	⁴³ Gas	⁴⁴ AOF	⁴⁵ Test Method

⁴⁶ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
 Signature: *Thomas M. Price*
 Printed name: **Thomas M. Price**
 Title: **Advanced Engineering Technician**
 Date: **4/10/95** Phone: **915/687/8324**

OIL CONSERVATION DIVISION
 Approved by: *Jim W. Price*
 Title: *District Supervisor*
 Approval Date: **4/17/95**

⁴⁷ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
-----------------------------	--------------	-------	------

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

9F Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

RECEIVED
APR 20 1995
AM 8 52

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Marathon Oil Company P.O. Box 552 Midland, Texas 79702		² OGRID Number 014021
		³ Reason for Filing Code NW
⁴ API Number 30-015-27930	⁵ Pool Name Dagger Draw Upper Penn Assoc., South	⁶ Pool Code 15474 15475
⁷ Property Code 6411	⁸ Property Name North Indian Basin Unit	⁹ Well Number 10

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
C	11	21-S	23-E		330	North	2310	West	Eddy

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
C	11	21-S	23-E		330	North	2310	West	Eddy

¹² Lse Code F	¹³ Producing Method Code Sub Pump	¹⁴ Gas Connection Date 4/10/95	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
------------------------------------	--	---	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
281784	Amoco Pipeline Co 502 North, West Avenue Levelland, Texas 79336	2813184	Oil	UL "D", Sec 1, T-21-S, R-23-E MOC Fed Consolidated Facility CTB 397
014035	Marathon Oil Company PO Box 552 Midland, Texas 79702	2813183	Gas	UL "D", Sec 1, T-21-S, R-23-E MOC Fed Consolidated Facility CTB 397

IV. Produced Water

²³ POD 2813185	²⁴ POD ULSTR Location and Description UL "D", Sect 1, T-21-S, R-23-E CTB 397
-------------------------------------	---

V. Well Completion Data

²⁵ Spud Date 3/8/95	²⁶ Ready Date 4/21/95	²⁷ TD 8050'	²⁸ PBSD 7947'	²⁹ Perforations 7654-7830
³⁰ Hole Sie 20"	³¹ Casing & Tubing Size 16" Conductor	³² Depth Set 60'	³³ Sacks Cement Redi-Mix to Surface	
12 1/4"	9 5/8"	1227'	800 SX	
8 3/4"	7"	8042'	1080 SX	
	2 7/8" Tubing	7904'		

VI. Well Test Data

³⁴ Date New Oil 4/8/95	³⁵ Gas Delivery Date 4/10/95	³⁶ Test Date 4/23/95	³⁷ Test Length 24 Hrs	³⁸ Tbg. Pressure Pump	³⁹ Csg. Pressure 360
⁴⁰ Choke Size Open	⁴¹ Oil 500	⁴² Water 716	⁴³ Gas 2415	⁴⁴ AOF	⁴⁵ Test Method Pumping

⁴⁶ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Thomas M Price*
Printed name: **Thomas M. Price**
Title: **AET**
Date: **4/24/95**
Phone: **915/687/8324**

OIL CONSERVATION DIVISION
Approved by: *Jim W. Gunn*
Title: *District Supervisor*
Approval Date: *5/1/95*

⁴⁷ If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

5 JUN 79 AM 8 52

Form 3160-4 (July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0137

NM OIL & GAS COMMISSION
 DESIGNATION AND SERIAL NO.
 NM05608 88210

RECEIVED

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other

2. NAME OF OPERATOR: Marathon Oil Company

3. ADDRESS AND TELEPHONE NO.: P.O. Box 552, Midland, TX 79702 915/687/8324

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface: UL "C" 330' FNL & 2310' FWL
 At top prod. interval reported below
 At total depth

14. PERMIT NO. 30-015-27930 DATE ISSUED 5/6/94
 12. COUNTY OR PARISH EDDY 13. STATE NM

15. DATE SPUNDED 3/8/95 16. DATE T.D. REACHED 3/28/95 17. DATE COMPL. (Ready to prod.) 4/21/95
 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* GL:3773.3 KB:3792.3 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 8050' 21. PLUG, BACK T.D., MD & TVD 7947' 22. IF MULTIPLE COMPL., HOW MANY*
 23. INTERVALS DRILLED BY Rotary Tools: A11 Cable Tools:

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 7654-7715, 7730-7750, 7756-7774, 7780-7830 S. Dagger Draw; Upper Penn
 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN DLL/MSFL/GR/CAL; NGT/EPT 27. WAS WELL CORED NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
16"	Conductor	60'	20"	Redi-Mix to surface	None
9 5/8"	36#	1227'	12 1/4"	800 SX, Circ 175 SX	None
7"	26# & 23#	8042'	8 3/4"	1080 SX	None

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8"	7904'	None

31. PERFORATION RECORD (Interval, size and number) 7654-7715, 7730-50, 7756-74, 7780-7830

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7654-7830	19,000 Gallons 15% NEFF ACID
2 JSPF .5"	

33. PRODUCTION

DATE FIRST PRODUCTION 4/8/95 PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Electric Submersible Pump WELL STATUS (Producing or shut-in) Producing

DATE OF TEST 4/23/95 HOURS TESTED 24 CHOKE SIZE Open PROD'N. FOR TEST PERIOD 500 OIL - BBL. 500 GAS - MCF. 2415 WATER - BBL. 716 GAS - OIL RATIO 4830

FLOW TUBING PRESS. Pump CASING PRESSURE 360 CALCULATED 24-HOUR RATE 500 GAS - MCF. 2415 WATER - BBL. 716 OIL GRAVITY - API(CORR.) 42.6

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold TEST WITNESSED BY Robert Ellis

35. LIST OF ATTACHMENTS Logs, Inclination Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
 SIGNED Thomas M. Price TITLE AET DATE 4/24/95

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries).

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
Queen	Surface	518	Sandstone, Dolomite	Queen	Surface	
San Andres	518	1995	Dolomite, Limestone	San Andres	518	
Glorietta	1995	2280	Sandstone, Dolomite	Glorietta	1995	
YESO	2280	5392	Dolomite, Sandstone, Limestone	YESO	2280	
Bsl Leonardian	5392	5765	Limestone, Shale, Sandstone	Bsl Leonardian	5392	
Wolfcamp	5765	7518	Shale, Limestone, Sandstone	Wolfcamp	5765	
Upper Penn	7518	8000	Dolomite, Limestone, Shale	Upper Penn	7518	
Loggers TD	8060'					

APR 23 10 23 AM 1995

WELL North Indian Basin Unit No. 10

LOCATION Sec. 11-21S-23E, Eddy County, New Mexico

OPERATOR Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

DRILLING CONTRACTOR Exeter Drilling Company

CARD AREA

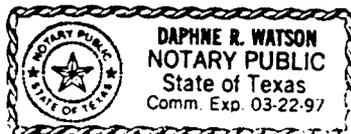
The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

<u>Degrees ¯ Depth</u>		<u>Degrees ¯ Depth</u>		<u>Degrees ¯ Depth</u>	
1/4	306	2 3/4	5,659		
1 1/4	505	2 3/4	5,784		
2	802	3	5,940		
2 1/2	1,138	2 1/4	6,096		
2 1/2	1,227	1 3/4	6,348		
1 3/4	1,514	NP	6,842		
1 1/4	1,885	1 1/4	6,873		
1	2,385	1 1/4	7,375		
1	2,886	3/4	8,050		
3/4	3,384				
1 1/4	3,885				
1	4,166				
2 3/4	4,448				
2	4,603				
2 1/4	4,756				
2 3/4	4,913				
3	5,069				
2 3/4	5,226				
3 1/4	5,379				
3	5,504				

Drilling Contractor: **EXETER DRILLING COMPANY**

By: Bob Lange
 Bob Lange
 Drilling Manager
 Southern Division

Subscribed and sworn before me this 3rd day of April, 1995.



Daphne R. Watson
 Daphne R. Watson
 Notary Public
 Commission Expires: March 22, 1997

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION COMMISSION
Budget Bureau No. 1004-0135
Expires: March 31 1993
Drawer 112
Artesia, NM 88210

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702 915/682-1626

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL "C" 330' FNL & 2310' FWL
SEC. 11, T-21-S, R-23-E

Designation and Serial No.

NM05608

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NORTH INDIAN BASIN UNIT

8. Well Name and No.

N. INDIAN BASIN UNIT 10

9. API Well No.

30-015-27930

10. Field and Pool, or exploratory Area

S. DAGGER DRAW (U. PENN)

11. County or Parish, State

EDDY NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other NEW WELL COMPLETION
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

4/1/95 MIRU PU. NU and test BOP. Drilled out DV tool @ 6265'. C/O to 7947' PBD. Circulated clean with 2% KCL. Tested casing to 2000 PSI. POOH with clean out string. RU wireline Co. Ran GR/CCL. Perforated 7654-7715, 7730-7750, 7756-7774, 7780-7830. RD wireline Co. RIH with Pinpoint Injection Packer on 2 7/8" tubing. Using PPI Packer acidized 7830-7654 with 19,000 gallons 15% NEFE HCL. With packer set @ 7525' swabbed well to frac tank. Kicked off flowing to tank on 32/64" choke. Flow tested well for 7 days. SI well and ran. Static BHP. POOH with tubing and PPI packer. RIH with electric submersible pump. ND BOP. NU wellhead. RDMO PU. Turned well to test.

RECEIVED

ACCEPTED FOR REGISTRATION

J. Lara
APR 1 1995

RECEIVED
APR 25 10 23 AM '95
CARLETON COUNTY OFFICE

RECEIVED

14. I hereby certify that the foregoing is true and correct

Signed Thomas m Price Title AET Date 4/24/95

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION
Drawer DD
Artesia, NM 88210 APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702 915-682-1626

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL "C" 330' FNL & 2310' FWL
SECTION 11, T-21-S, R-23-E

5. Lease Designation and Serial No.

NM-05608

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
North Indian Basin Unit

8. Well Name and No.

North Indian Basin Unit 10

9. API Well No.

30-015-27930

10. Field and Pool, or exploratory Area

S. Dagger Draw; U. Penn Assoc.

11. County or Parish, State

Eddy County NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

As per ONSHORE ORDER # 7, Marathon Oil Co is notifying you of existing and intended methods of water disposal from this well.
This well is produced into Marathon consolidated MOC Federal Tank Battery, located in UL "D" Sec 1, T-21-S, R-23-E, Eddy Co. NM. Water from this battery will be injected via pipeline from the consolidated facility into one of the wells listed on attachment "A", PRIMARY DISPOSAL WELLS. In the event that none of the wells listed under the PRIMARY listing are available, water may be trucked to approved commercial disposal wells. The Trucking Companies which may be used are listed on attachment "A" under SECONDARY DISPOSAL.

RECEIVED
MAY 11 1995
N.M. OIL & GAS DIVISION

RECEIVED
MAY 25 10 24 AM 1995
OIL & GAS DIVISION

RECEIVED

14. I hereby certify that the foregoing is true and correct

Signed Thomas M. Price

Title Advanced Engineering Tech.

Date 4/11/95

(This space for Federal or State official use)

Approved by (CHIEF, GEO.) JOE G. LARA

Title PETROLEUM ENGINEER

Date 5/1/95

Conditions of approval, if any: See attached

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

April 20, 1995

**ATTACHMENT "1"
Marathon Oil Co**

MOC Federal Consolidated Tank Battery, (Disposal System)

Primary Disposal

Operated By: Nearburg Producing Company
Well Name: Aikman SWD State # 1
Location: SE/4 of SW/4
Section 27, T-19-S, R-25-E
Permit#: SWD 417

Operated By: Nearburg Producing Company
Well Name: Holstun # 1 SWD
Location: NW/4 of NE/4
Section 4, T-20-S, R-25-E
Permit#: R 9269

Operated By: Marathon Oil Company
Well Name: Mobile Federal Com # 1 SWD
Location: NE/4 of SW/4
Section 7, T-20-S, R-25-E
Permit#: SWD 448

Operated By: McKay Oil Company
Well Name: Charolette Mckay Federal # 1 SWD
Location: SE/4 of NE/4
Section 25, T-20-S, R-25-E
Permit#: SWD 460

Secondary Disposal

I&W Inc. Possible Wells Used By I&W

Well Name: Walter Solt State No. 1
Location: Unit "L", Sec 5, T-18-S, R-28-E
Permit#: SWD 318

Well Name: Dagger Draw Salt Water Disposal
Location: Sec 22, T-19-S, R-25-E
Permit#: R7637

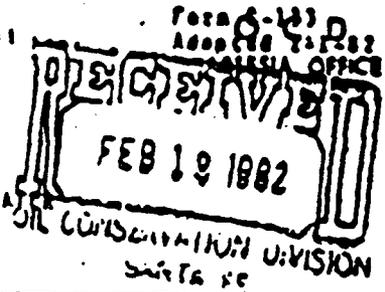
B&E Inc. Possible Wells Used By B&E

Well Name: Big Eddy Federal # 100
Location: Unit "L", Sec 8, T-21-S, R-28-E
Permit#: SWD 461

Well Name: Corrine Grace Salt Water Disposal Well
Location: Sec 36, T-22-S, R-26-E
Permit#: K6290

Well Name: Myrtle-Myra WIW # 1
Location: Sec 21, T-21-S, R-27-E
Permit#: NMOCD-FWD-391

FEB 19 1982



AUTHORIZATION TO MOVE PRODUCED WATER

Transporter Name T. & W. INC.

Address P. O. Box 176 Office Location (if different) Loco Hills, New Mexico 88255
Artesia, New Mexico 88210

Phone Number(s) 505-677-2111 and 677-3391

State Corporation Commission Permit No. 44-711

NOTE: It is the responsibility of each holder of an approved Form C-133 to familiarize its personnel with the content of Division Rules 709 and 710 and to assure operations in compliance therewith. Failure to move and dispose of produced water in accordance with Division Rules 709 and 710 are cause for cancellation of Form C-133 and the authority to move produced water.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed [Signature] Title Manager
 Date 2/10/82

(This space for State Use)

Approved by [Signature] Title Dir. Director
 Date 2/15/82

AUTHORIZATION TO MOVE PRODUCED WATER

Transporter Name B & E, Inc.

Address P.O. Box 2292 Office Location (if different) 215 W. Broadway Suite 4
Hobbs, NM 88240 Hobbs, NM 88240

Phone Number(s) Carlsbad 845-6600; Hobbs 707-0762

State Corporation Commission Permit No. 1015-1

NOTE: It is the responsibility of each holder of an approved form C-133 to familiarize its personnel with the content of Division Rules 709 and 710 and to assure operations in compliance therewith. Failure to save and dispose of produced water in accordance with Division Rules 709 and 710 are cause for cancellation of form C-133 and the authority to move produced water.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed [Signature] Title President

Date April 5, 1982

(This space for State Use)

Approved by [Signature] Title Div Director

Date 4/28/82

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Oil and Gas Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.
6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.
7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

(June 1990)

RECEIVED
CONSERVATION DIVISION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702 915/682-1626

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330' FNL & 2310' FWL
SEC. 11, T-21-S, R-23-E

NM OIL CONS COMMISSION

Drawer Form Approved
Article 88816
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM05608

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
NORTH INDIAN BASIN

8. Well Name and No.

N. INDIAN BASIN 10

9. API Well No.

10. Field and Pool, or exploratory Area

S. DAGGER DRAW (U. PENN)

11. County or Parish, State

EDDY NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other SPUD & DRLG OPS
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

SEE ATTACHED PAGE

ACCEPTED FOR RE...

J. Jara
JUN - 1 1995

RECEIVED

MILSAD, NEW MEXICO

14. I hereby certify that the foregoing is true and correct

Signed M. J. Jara

Title DRILLING SUPERINTENDENT

Date 3/29/95

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

**NORTH INDIAN BASIN UNIT NO. 10
330' FNL & 2310' FWL
Sec. 11, T-21-S, R-23-E
Eddy County, New Mexico**

Pre-set 16" conductor @ 60', cmtd to surf w/Redi-mix. MIRU Exeter #64. Spud 12 1/4" hole @ 19:00 hrs 3-8-95. Drilled to 1227' w/full returns, TD surf hole @ 13:45 hr 3-10-95. RU csg crew. Ran 28 jts 9 5/8", 36#, K-55, stc csg to 1227', float shoe @ 1225', float collar @ 1182'.

Western mixed and pumped lead: 600 sx PSL Lite w/10 pps Gilsonite, 3% CaCl₂, 1/4 pps Celo-flake @ 12.4 ppg, 2.0 yield, tailed in w/200 sx Class "C" neat, wt - 14.8, yield 1.32. Bumped plug, circ'd 175 sx. WOC 4 hrs.

Cut 9 5/8" csg. Install 9 5/8" x 11" 3M sow csg head. NU 11" 3M dual ram BOP, choke manifold and 11" 3M annular. Tested blind and pipe rams, choke and kill lines and choke manifold to 300/3000 psi. Tested floor valves and lines to 300/3000 psi. Tested annular to 1300 psi.

PU 8 3/4" bit & TIH, tagged cmt @ 1165'. Total WOL 20 hrs. Tested csg to 1700 psi. Drilled cmt and float to 1200. Tested pipe rams and csg to 1700 psi. Drilled cmt and shoe, resumed drilling formation n/8 3/4" bit.

Drilled 8 3/4" hole to 8060'. TD @ 2300 hrs 3-25-95.

RU logging adaptor, lubricator, WL BOP, & pump in sub. Logged well as follows: DLL/MSFL/GR/CAL 8060-4000', NGT/EPT 8060'-4000', CNL GR to surface. RD loggers.

RU csg crew, ran 182 jts 7", 23# & 26#, K-55 LTC newcsg to 8042', float shoe @ 8040'. Float collar @ 7948', DV @ 6265', 26#, 8042'-9847', 23#, 4847'-surface.

Cemented first stage w/350 sx Class "H" w/5 pps Gilsonite, .6% CF-12, .3% WL-IP @ 15.4 ppg, 1.32 yield, displaced w/water & mud. Bumped plug, shifted tool & circ'd 20 sx cmt to surf. Circ'd w/rig pump 4 hrs. Cmtd 2nd stage w/630 sx PSL "C" w/6% gel, 5% NaCl, 5 pps Gilsonite, 1/4 pps Cello-Flake @ 12.5 ppg, yield 2.05, tailed in w/100 sx Class "C" Neat. Bumped plug, closed tool w/3500 psi. Cmtd in place @ 01:00 hrs 3-28-95. Circ'd 5 sx cmt.

ND BOP. Cut 7" csg, install 11" 3M x 7 1/16" 3M tbg head. Tested seals to 3000 psi.

Released rig @ 06:45 hrs 3-28-95.

wjd/jb/nibu10

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ARTESIA, NEW MEXICO

SUBMIT IN TRIPLICATE FOR STATE AND FEDERAL OFFICES
FORM APPROVED OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 Marathon Oil Company *14021*

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 552 Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 330' FNL & 2310' FWL
 At proposed prod. zone
 330' FNL & 2310' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 25 MILES NW OF CARLSBAD

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 2970'

16. NO. OF ACRES IN LEASE
 4160

17. NO OF ACRES ASSIGNED TO THIS WELL
 320

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

19. PROPOSED DEPTH
 8000'

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show Whether DF, RT, GR, ETC.)
 3774' GL
 3635' GL

22. APPROX DATE WORK WILL START
 MAY 1, 1994

LEASE DESIGNATION AND SERIAL NO.
 NM05608

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 NORTH INDIAN BASIN UNIT

8. FARM OR LEASE NAME
 NORTH INDIAN BASIN UNIT *6411*

9. WELL NO.
 10

10. FIELD AND POOL OR WILDCAT
 UNDESIGNATED; UPPER PENN

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 11, T-21-S, R-23-E *79040*

12. COUNTY OR PARISH
 EDDY

13. STATE
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	40'	CONDUCTOR-REDI MIX TO SURFACE
12 1/4"	9 5/8"	36#	1200'	800-CIRCULATE
8 3/4"	7"	23#, 26#	8000'	1075-TOC @ +/- 1000'

SEE ATTACHED MULTIPPOINT AND DRILLING PROGRAM FOR SPECIFIC DETAILS.

*THIS IS THE FIRST PROPOSED UPPER PENN WELL ON THIS LEASE.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 W.J. Queene TITLE FORT. B. ARNOLD DRILLING SUPERINTENDENT DATE 4-4-94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVAL STAMP: GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY H.M. Bowens TITLE (for) AREA MANAGER DATE 4-28-94

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
P.O. Box 1889, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Free Lease - 3 Copies

DISTRICT II
P.O. Drawer 98, Artesia, NM 88210

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

AMENDED REPORT

DISTRICT III
1000 Rio Grande Blvd., Artesia, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 79040	Pool Name INDIAN BASIN, UPPER PENN
Property Code	Property Name NORTH INDIAN BASIN UNIT	Well Number 10
UC/AD No.	Operator Name MARATHON OIL COMPANY	Elevation 3774'

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	11	21S	23E		330	NORTH	2310	WEST	EDDY

Bottom Hole Location if Different from Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Indicated Acre	Point or well	Consolidation Code	Order No.
320			

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>W. J. Duesee</i> Signature</p> <p>W. J. Duesee For T.B. Arnold Printed Name</p> <p>Drilling Superintendent Title</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>March 30, 1994 Date surveyed</p> <p><i>Jan L. Jones</i> Signature & Seal of Professional Surveyor</p> <p>W.O. Num. 94-11-0550</p>
	<p>Certificate No. JOHN W. WEST, 878 RONALD J. EDSON, 3338 GARY L. JONES, 7877</p>

2. WELL CONTROL SYSTEMS

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

- a. pipe rams to accomodate all pipe sizes
- b. blind rams
- c. choke manifold
- d. closing unit

Auxillary equipment added as appropriate includes:

- a. annular preventor _____
- b. rotating head _____
- c. mud- gas separator _____
- d. flare line and means of ignition _____
- e. remote operated choke _____

B. Communication

The rig contractor will be required to have two-way communication capability. Marathon Oil Company will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

D. Drill Stem Test intervals are as follows:

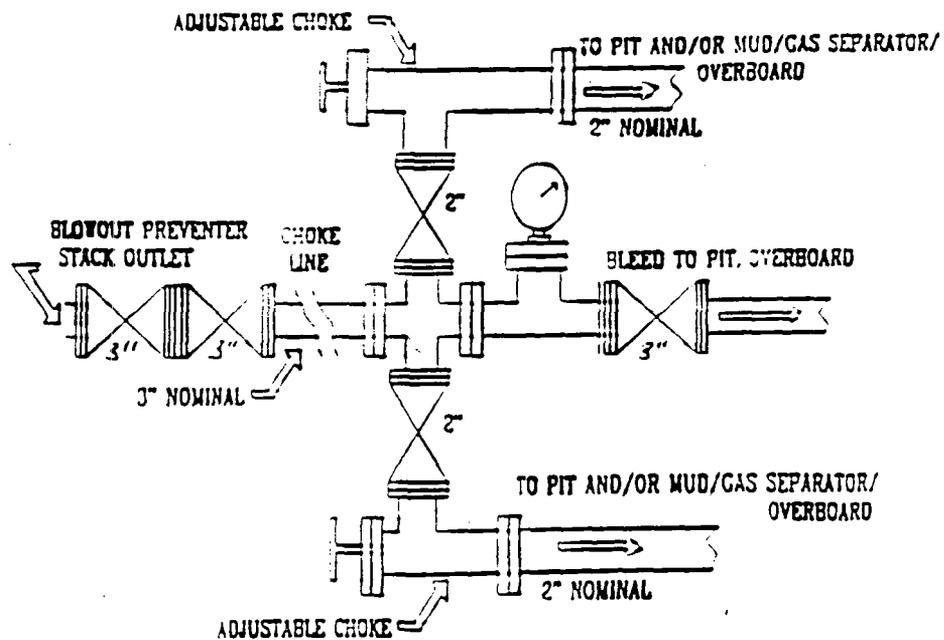
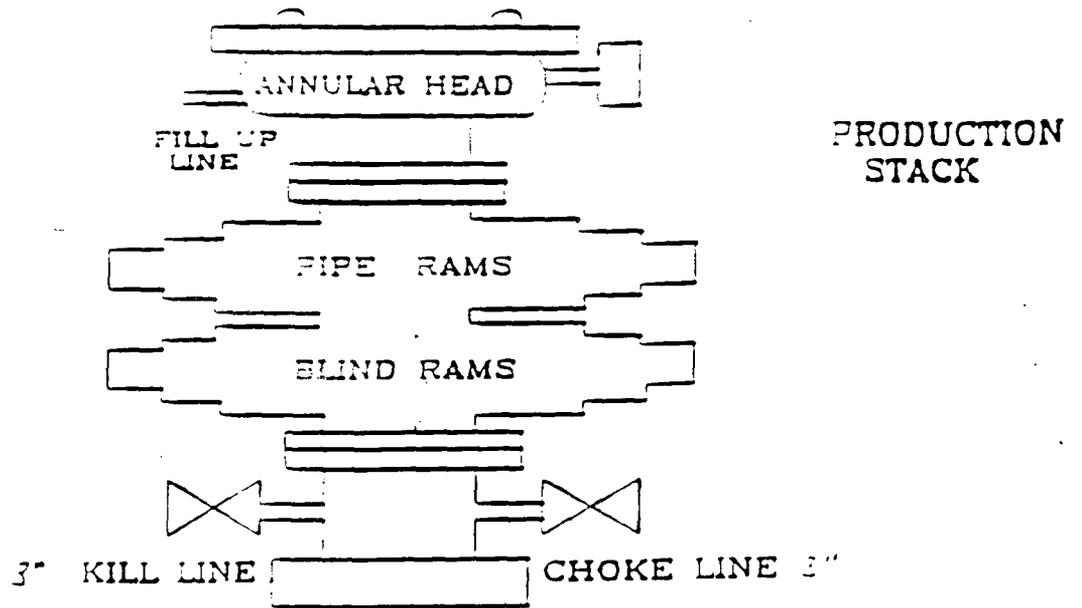
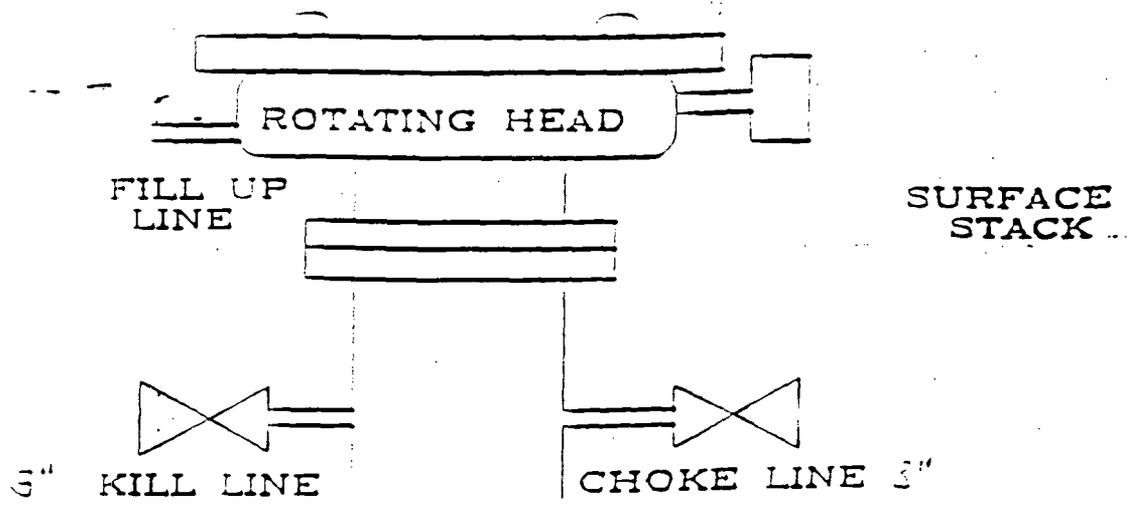
DST No. 1	_____	ft. to	_____	ft.
DST No. 2	_____	ft. to	_____	ft.
DST No. 3	_____	ft. to	_____	ft.

Drill Stem Testing Safety Rules are attached.

III. WELL SITE DIAGRAM

A complete well site diagram including the following information is attached.

1. Rig orientation
2. Terrain
3. Briefing areas
4. Ingress and egress
5. Pits and flare lines
6. Caution and danger signs
7. Wind indicators and prevailing wind direction



WRS COMPLETION REPORT

COMPLETIONS SEC 11 TWP 21S RGE 23E
 PI# 30-T-0002 07/07/95 30-015-27930-0000 PAGE 1

NMEX EDDY * 330FNL 2310FWL SEC NE NW
 STATE COUNTY FOOTAGE SPOT
 MARATHON OIL D DO
 OPERATOR WELL CLASS INIT FIN
 10 NORTH INDIAN BASIN UNIT
 WELL NO. LEASE NAME
 3792KB 3773GR DAGGER DRAW S
 OPER ELEV FIELD/POOL/AREA
 API 30-015-27930-0000
 LEASE NO. PERMIT OR WELL I.D. NO.
 03/07/1995 04/23/1995 ROTARY VERT OIL
 SPUD DATE COMP. DATE TYPE TOOL HOLE TYPE STATUS
 8000 PNSLVN U EXETER DRLG 64 RIG SUB 17
 PROJ. DEPTH PROJ. FORM CONTRACTOR
 DTD 8050 PB 7947 FM/TD PNSLVN U
 DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

LOCATION DESCRIPTION

25 MI NW CARLSBAD, NM

WELL IDENTIFICATION/CHANGES

FIELD CHGD FROM EDDY CO UNDESIGNATED

CASING/LINER DATA

CSG 16 @ 60
 CSG 9 5/8 @ 127 W/ 800 SACKS
 CSG 7 @ 8042 W/ 1080 SACKS

TUBING DATA

TBG 2 7/8 AT 7904

INITIAL POTENTIAL

IPP 500BOPD 2415 MCFD 716BW 24HRS
 PNSLVN U PERF W/ 2/FT 7654- 7830 GROSS
 PERF 7654- 7715 7730- 7750 7756- 7774 7780- 7830
 ACID 7654- 7830 19000GALS
 15% NEFE
 GTY 42.6 GOR 4830

TYPE	FORMATION	LTH	TOP DEPTH/SUB	BSE DEPTH/SUB
LOG	SN ANDRS		518 3274	
LOG	GLORIETA		1995 1797	

CONTINUED IC# 300157015994

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**Petroleum Information
 Corporation**

PI-WRS-GFJ
 Form No 187

COMPLETIONS SEC 11 TWP 21S RGE 23E
 PI# 30-T-0002 07/07/95 30-015-27930-0000 PAGE 2

MARATHON OIL NORTH INDIAN BASIN UNIT D DO
 10

TYPE	FORMATION	LTH	TOP DEPTH/SUB	BSE DEPTH/SUB
LOG	YESO		2280 1512	
LOG	LEONARD			5392 -1600
LOG	WOLFCAMP		5765 -1973	
LOG	PNSLVN U		7518 -3726	

SUBSEA MEASUREMENTS FROM KB

LOGS AND SURVEYS /INTERVAL,TYPE/

LOGS	DLL	MSFL	GR
LOGS	CAL	NGT	EPT

DRILLING PROGRESS DETAILS

MARATHON OIL
 BOX 552
 MIDLAND, TX 79702
 915-682-1626

04/12 LOC/1994/
 03/13 DRLG 2475
 03/20 DRLG 5620
 03/27 8050 TD, SI
 07/03 RIG REL 03/27/95
 8050 TD, PB 7947
 COMP 4/23/95, IPP 500 BO, 2415 MCFGPD, 716
 BWPD, GTY 42.6, GOR 4830
 PROD ZONE - PENNSYLVANIAN U 7654-7830
 (GROSS)
 NO CORES OR TESTS RPTD



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 17, 1998

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500
Attention: Kay Maddox

Administrative Order NSL-3977

Dear Ms. Maddox:

Reference is made to your application dated February 23, 1998, which was received by the Division in Santa Fe on February 25, 1998, for an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for the existing San Juan "28-7" Unit Well No. 250 (30-039-21637) located 2500 feet from the South line and 1475 feet from the West line (Unit K) of Section 30, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Production from the Blanco-Mesaverde Pool is to be included in an existing standard 305.76-acre gas spacing and proration unit comprising Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of said Section 30, which is currently dedicated to Conoco Inc.'s: (i) San Juan "28-7" Unit Well No. 94 (API No. 30-039-07282), located at a standard gas well location 800 feet from the South line and 1850 feet from the West line (Unit N) of said Section 30; and (ii) San Juan "28-7" Unit Well No. 94-A (API No. 30-039-22348), located at a standard gas well location 1520 feet from the North line and 820 feet from the West line (Lot 2/Unit E) of said Section 30. Production from the Basin-Dakota Pool is to be included in an existing non-standard 342.17-acre gas spacing and proration unit (approved by Division Order No. R-2948, dated August 16, 1965) comprising Lot 4 and the SE/4 SW/4 of Section 19 and Lots 1, 2, 3, and 4, the E/2 NW/4, and the NE/4 SW/4 of Section 30, both in Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, which is currently dedicated to the aforementioned San Juan "28-7" Unit Well No. 250.

It is our understanding that Conoco Inc. intends to downhole commingle both the Blanco-Mesaverde and Basin-Dakota Pools in said well under authority of Division Administrative Order DHC-1800, dated February 24, 1998.

By the authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location for the San Juan "28-7" Unit Well No. 250 is hereby approved. All of the aforementioned wells and both

Administrative Order NSL-3977

Conoco, Inc.

March 17, 1998

Page 2

GPU's will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Counsel - Santa Fe
Jimmy D. Carlile, Conoco, Inc. - Midland, Texas
File: DHC-1800