Form 3160-5 (June 2015)

UNITED STATES Carlsbad Field Office

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

| B SUNDRY | CD Ar | tesia | 5. Lease Serial No. NMNM86024 | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------|--|
| Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. | | | | | 6. If Indian, Allottee or Tribe Name | | |
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | | | 7. If Unit or CA/Agreement, Name and/or No. | | |
| 1. Type of Well | | | | | 8. Well Name and No. BLUE STEEL 21 FB FEE 21H | | |
| Oil Well Gas Well Ot 2. Name of Operator | VARRUBIAS | | 9. API Well No. | | | | |
| MARATHON OIL PERMIAN LLC E-Mail: ADRIAN.COVARRUBIAS | | | | | 30-015-45901-00-X1 | | |
| 3a. Address 3b. Phone No. 5555 SAN FELIPE ST Ph: 80675. HOUSTON, TX 77056 Ph: 80675. | | | . (include area code) 26153 | | 10. Field and Pool or Exploratory Area LAGUNA SALADO-BONE SPRING | | |
| 4. Location of Well (Footage, Sec., 2 | 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | 11. County or Parish | or Parish, State | |
| | Sec 28 T23S R29E NWNW 270FNL 1165FWL 32.282478 N Lat, 103.994713 W Lon | | | | EDDY COUNTY, NM | | |
| 12. CHECK THE A | PPROPRIATE BOX(ES) | TO INDICA | TE NATURE O | F NOTICE, 1 | REPORT, OR OT | HER DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | | |
| ☐ Notice of Intent | ☐ Acidize | ☐ Dee | pen | ☐ Production | on (Start/Resume) | ☐ Water Shut-Off | |
| - | ☐ Alter Casing | | raulic Fracturing | ☐ Reclama | tion | ☐ Well Integrity | |
| Subsequent Report ■ | Casing Repair | _ | Construction | Recomplete | | | |
| ☐ Final Abandonment Notice | ☐ Change Plans ☐ Convert to Injection | □ Plug □ Plug | g and Abandon | ☐ Tempora☐ Water D | rily Abandon | - · · · · · · · · · · · · · · · · · · · | |
| testing has been completed. Final A determined that the site is ready for the MIRU. 8/25/2019 ? Notified B Drill 17.5? surface hole to 375 by pumping 30 bbls of spacer witnessed cement job. RDMC 30 min, 95 psi drop, good test section to 2987?. 9/8 ? Flow c Run 9 5/82 csg. 74 jts of 36#, lead cement, 200 sks of tail c by BLM. 9/20 ? Pressure test cement shoe track and 10? of 6451?. Flow check and circult 6451?. 9/24 ?Continue drilling | Emal inspection. LM of spud notice and case 57. 8/26? Run 13 3/8? csc. and 490 sks of lead ceme 5. 9/7? MIRU. Perform BC to Drill shoe track and 10? check well. Notified BLM of J55 LTC to 2972? Ceme ement, with 493 sks of ceres of seg to 2100 psi for finew formation to 2997? ate bottoms up. TOOH to | sing and pum g, 9 jts, 54.5# ent with 211 s P test. Press of new forma f intent to rur nt csg by pur nt csg by pur | ping surface cem, J55 STC to 375 sks of cement to sure test 13 3/8? Ition to 385?. Drill and cement 9 5 nping 20 bbls of ce. 9/19 ? Test B, good test. 9/22 ?? vertical from 6531 and re-log ce. | nent. Spud w 5?. Cement c surface. BLN csg to 1500 I 12 ?? /8? csg. 9/9 spacer, 920 OPE. Witnes ? Drill 2997? to | ell. C. C. S. S. S. Accepted for 1 psi for NM C. S. | 1,-1,9 | |
| | Electronic Submission # | N OIL PERMI <i>A</i> | N LLC, sent to th SCILLA PEREZ or | e Carlsbad | 20PP0031SE) | | |
| Signature (Electronic | Submission) | | Date 10/02/20 | 019 | | | |
| | THIS SPACE FO | R FEDERA | L OR STATE | OFFICE US | E | · | |
| _Approved By | | | | pted for | Record | DGIE 0 3 2019 | |
| Conditions of approval, if any, are attached. Approval of this notice 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. | | | | arisbad Field | • | | |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.



Additional data for EC transaction #486142 that would not fit on the form

32. Additional remarks, continued

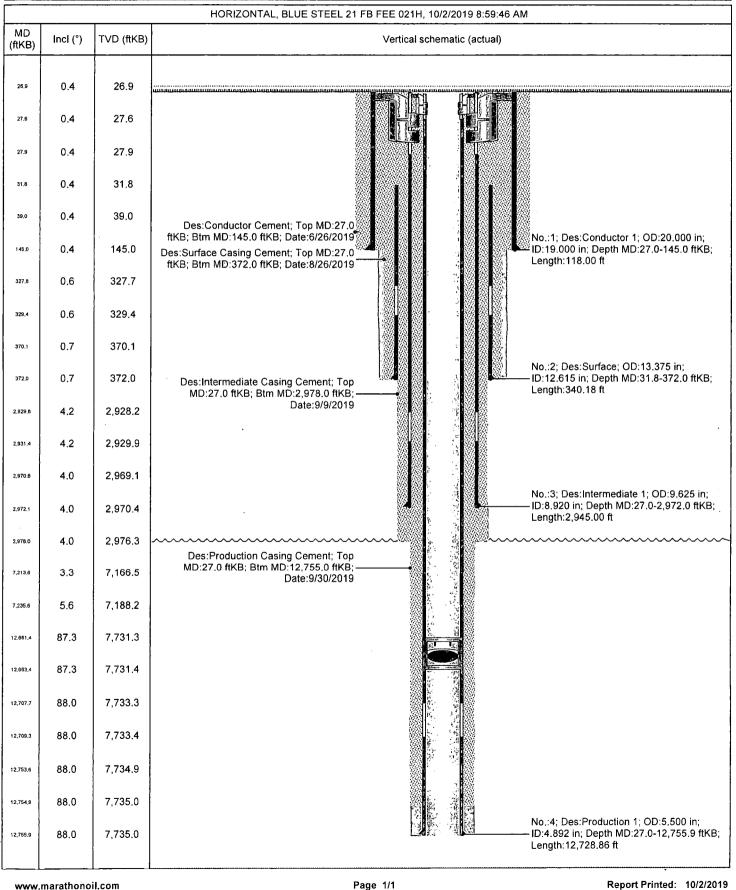
12770?. 9/28 ? Flow check well. Notified BLM of upcoming 5 ?? production casing run and cement job. 9/29 ? Run 5 ??, 288 jts, 17#, P110 BHT csg to 12756?. 9/30 ? Cement liner by pumpking 50 bbls spacer, 1055 sks of lead cement, and 1635 sks of tail cement, with 822 sks cement to surface. Liner pressure test will be done during completions. RDMO 10/1/2019.

Marathon Oil

www.marathonoil.com

Wellbore Schematic Well Name: BLUE STEEL 21 FB FEE 021H

| State/Province NEW MEXICO | Country UNITED STATES | | Longitude (°) -103,99577899 | North/South Distance (ft) | North/South Reference |
|------------------------------|----------------------------------|---------------------------|-------------------------------------|-------------------------------|----------------------------|
| | KB-Ground/Distance (ft) 27,00 | KB-Mud Line Distance (ft) | Drilling Rig Spud Date 8/25/2019 | Well Original Completion Date | Well First Production Date |



Page 1/1

| | BLUE STEEL 21 FB FEE 21H | | | | | | |
|------------------|--------------------------|----------------|--------------|------------------|--|--|--|
| 30-015-45901 | | | | | | | |
| SPUD | TD Reached | Rig Release | Total Depth | Ground Elevation | | | |
| 8/25/2019 | 9/28/2019 | 10/1/2019 | 12770 / 7736 | 3001 | | | |
| Casing detail | Surface | Intermediate | Production | | | | |
| Date | 8/26/2019 | 9/9/2019 | 9/29/2019 | | | | |
| Hole size | 17 1/2 | 12 1/4 | 8 3/4 | | | | |
| Casing size | 13 3/8 | 9 5/8 | 5 1/2 | | | | |
| Weight | 54.5 | 36 | 17 | | | | |
| Туре | J55 | J55 | P110 | | | | |
| Thread | STC | LTC | CYHP BHT | | | | |
| Тор | 0 | 0 | 0 | ; | | | |
| Depth (MD) | 372 | 2972 | 12756 | | | | |
| Amount jnts | 9 | 74 | 288 | | | | |
| Cement detail | Surface. | ু Intermediate | Production | • | | | |
| Date | 8/26/2019 | 9/9/2019 | 9/30/2019 | | | | |
| Top depth KB | 0 | 0 | 0 | | | | |
| Bottom depth KB | 372 | 2978 | 12755 | : | | | |
| Lead sks | 490 | 920 | 1055 | | | | |
| Yield | 1.63 | 1.91 | 2.49 | | | | |
| Tail sks | | 200 | 1635 | | | | |
| Yield | | 1.33 | 1.14 | | | | |
| Spacer | 30 BBLS | 20 BBLS | 50 BBLS | | | | |
| Class | : C | 35/65 Poz C | С | | | | |
| Circulate to | | | | | | | |
| surface (sks) | 211 | 493 | 822 | | | | |
| Top meas. | | | | · : | | | |
| method | CIRCULATE | CIRCULATE | CIRCULATE | | | | |
| TOC | 0 | 0 | 0 | · · | | | |
| Pressure testing | Sürface S | Intermediate | Production | * | | | |
| Date | 9/7/2019 | 9/20/2019 | | | | | |
| PSI | 1500 | 2100 | | | | | |
| Time (min) | 30 | 30 | | | | | |
| Bled off | 95 | 0 | | | | | |
| Drop | 6% | 0% | | | | | |
| Good test | Yes | Yes | | | | | |

ŵ