State of New Mexico

Form C-101 Permit 21768

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

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

| 1. | Operator Name and Address | 2. OGRID Number |
|------------------|--|-----------------|
| 37 | MARATHON OIL CO | 14021 |
| 0.00 | 5555 SAN FELIPE ST IOUSTON , TX 77056 | 3. API Number |
| 1 | COSTON, 12 77050 | 30-025-37649 |
| 4. Property Code | 5. Property Name | 6. Well No. |
| 6454 | MARK OWEN | 015 |

7. Surface Location

| 3 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | K | 35 | 21S | 37E | K | 1650 | S | 1650 | W | LEA |

8. Pool Information

| PENROSE SKELLY;GRAYBURG | 50350 |
|-------------------------|-------|
| EUNICE, SAN ANDRES | 24150 |

Additional Well Information

| 9. Work Type New Well | 10. Wel | | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3374 |
|---|----------------|-------------------|---|---|--|
| 14. Multiple Y | 100 DOM: (100) | osed Depth 000 | 16. Formation San Andres | 17. Contractor | 18. Spud Date 2/5/2005 |
| Depth to Ground v | vater | | Distance from nearest fresh water v > 1000 | well | Distance to nearest surface water > 1000 |
| Pit: Liner: Synthetic X Closed Loop System | _ | mils thick | Clay Pit Volume: 2000 bbls | Drilling Method: Fresh Water X Brine I | Diesel/Oil-based Gas/Air |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 11 | 8.625 | 24 | 400 | 250 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 5000 | 1100 | 0 |

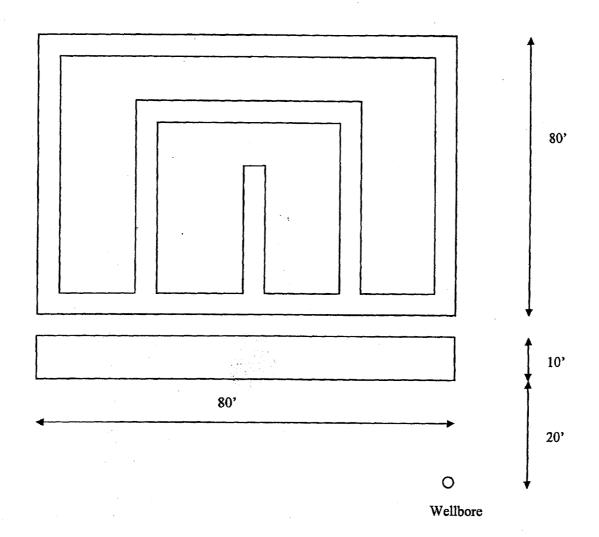
Casing/Cement Program: Additional Comments

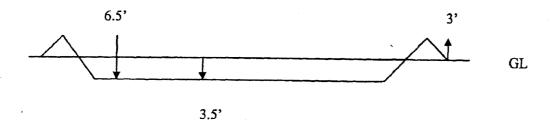
Surface cement- 250 sks. Class C w/ 2% CACL, 1.34 yield, 14.8 ppg. wt.. Cement production casing- Lead- 800 sks., Interfill C, yield. 2.52, 11.8 ppg. wt. Tail- 300 sks. Class H w/ Thirotropic & gilsonite, 1.31 yield, 14.2 ppg. wt.

Proposed Blowout Prevention Program

| | Туре | Working Pressure | Test Pressure | Manufacturer |
|---|-----------|------------------|---------------|--------------|
| 3 | DoubleRam | 3000 | 3000 | |

| of my knowledge and belief. | tion given above is true and complete to the best ting pit will be constructed according to | OIL CONSERV | ATION DIVISION |
|--|--|------------------------------|----------------------------|
| NMOCD guidelines X, a ger OCD approved plan | neral permit , or an (attached) alternative | Approved By: Chris Williams | |
| Printed Name: Electronic | ally filed by Charles Kendrix | Title: District Supervisor | 901 |
| Title: Engineering Techni | cian | Approved Date: 1/20/2006 | Expiration Date: 1/20/2007 |
| Email Address: cekendrix | @MarathonOil.com | | |
| Date: 1/19/2006 | Phone: 713-296-2096 | Conditions of Approval Attac | ched |





State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR.

Form C-102 Revised JUNE 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, New Mexico 87505

| DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 | WELL LOCATION AND | ACREAGE DEDICATION PLAT | ☐ AMENDED REPORT |
|--|-------------------|--------------------------|------------------|
| API Number | Pool Code | Pool Name | |
| | 50350 | PENROSE SKELLY: GRAYBURG | |

| | 50350 PENROSE SKELLY: GRAYBURG | * |
|---------------|--------------------------------|-------------|
| Property Code | Property Name | Well Number |
| 6454 | MARK OWEN | 15 |
| OGRID No. | Operator Name | Elevation |
| 14021 | MARATHON OIL COMPANY | 3374' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 35 | 21-S | 37-E | | 1650 | SOUTH | 1650 | WEST | LEA |

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 |
|-----------------|---------|-------------|---------------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres | Joint o | r Infill Co | nsolidation (| Code Or | der No. | | | | |
| 40 | | | | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

| OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature FRANK M KRUCH Printed Name Reg. Comp. Rep. III. Title Date |
|--|
| SURVEYOR CERTIFICATION SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief. LAT. = 32.25'57.12" N LONG. = 103.08'11.39" W Date Surveyed LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Date Surveyor LA Signature & Seal of Professional Surveyor Signature & Seal of Professio |

State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NW 88216

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102 Revised JUNE 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

correct to the best of my belief.

Date Surveyed

Signature & Seal of Professional Surveyor

JANUARY 12, 2006

06.11.0060

12641

Certificate No. GARY EIDSON

POFFSSION

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

-1650'

DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT ☐ AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Pool Code API Number Pool Name 24150 EUNICE: SAN Property Code Property Name Well Number MARK OWEN 15 6454 OGRID No. Operator Name Elevation MARATHON OIL COMPANY 3374 402 Surface Location North/South line Feet from the UL or lot No. Section Township Range Lot Idn Feet from the East/West line County Κ 35 21 - S37-E 1650 SOUTH 1650 WEST LEA 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 Dedicated Acres Joint or Infill Consolidation Code Order No. 40 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 OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and betief. Signature FRANK Printed Name Date SURVEYOR CERTIFICATION GEODETIC COORDINATES I hereby certify that the well location shown on this plat was plotted from field notes of NAD 27 NME actual surveys made by me or under my supervison, and that the same is true and

Y=523138.0 N

X=869272.2 E

LAT.=32*25'57.12" N

LONG.=103.08'11.39" W

Permit Conditions of Approval

Operator: MARATHON OIL CO , 14021 Well: MARK OWEN #015

API: 30-025-37649

| OCD Reviewer | Condition |
|-----------------|---|
| 113041111 | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| HODALII I | Will Require DHC administrative order for downhole commingling before multiple zones can be produced by commingling in the wellbore. |