

State of New Mexico
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 MARATHON OIL CO 5555 SAN FELIPE ST HOUSTON , TX 77056		2. OGRID Number 14021
		3. API Number 30-025-37752
4. Property Code 35506	5. Property Name SOUTH EUNICE 26 STATE	6. Well No. 002

7. Surface Location

UL - Lot O	Section 26	Township 22S	Range 36E	Lot Idn O	Feet From 640	N/S Line S	Feet From 2087	E/W Line E	County LEA
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	---------------

8. Pool Information

Wildcat San Andres	0
Wildcat Grayburg	0
Wildcat Paddock	0

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3477
14. Multiple Y	15. Proposed Depth 6000	16. Formation Paddock	17. Contractor	18. Spud Date 5/1/2006
Depth to Ground water 60		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 2000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	24	1250	750	0
Prod	7.875	5.5	15.5	6000	1200	0

Casing/Cement Program: Additional Comments

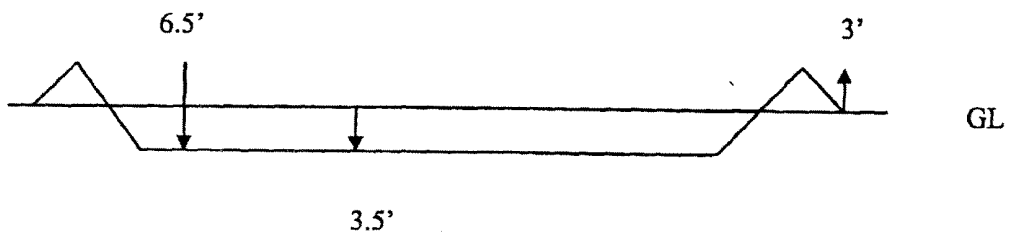
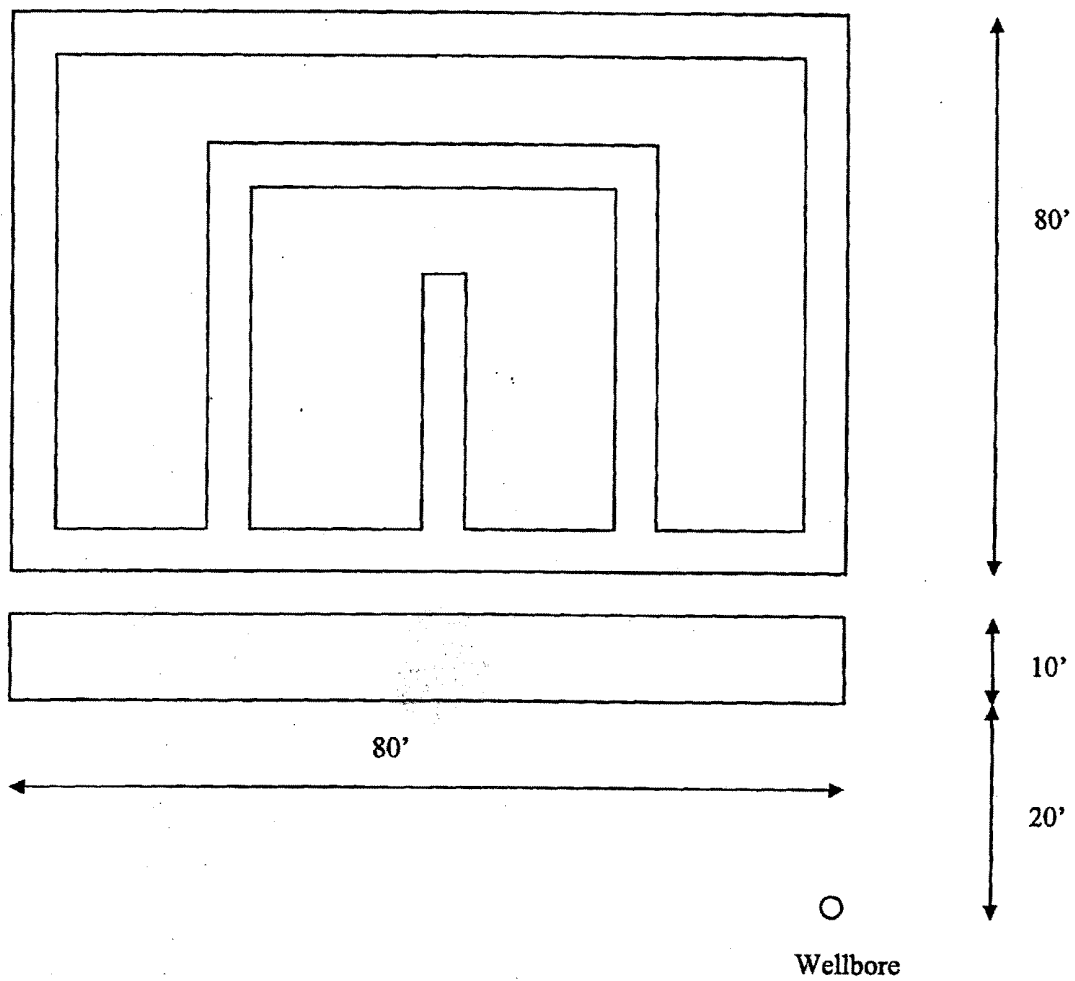
Surface cement- 750 sks. Class C w/ 2% CACL, 1.34 yield, 14.8 ppg. wt.. Cement production casing- Lead- 800 sks., Interfill C, yield 2.52, 11.8 ppg. wt. Tail- 400 sks. Class H w/ Thirotropic & gilsonite, 1.31 yield, 14.2 ppg. wt.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCB guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Chris Williams	
	Title: District Supervisor	
	Approved Date: 3/15/2006	Expiration Date: 3/15/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Charles Kendrix	
Title: Engineering Technician	
Email Address: cekendrix@MarathonOil.com	
Date: 3/15/2006	Phone: 713-296-2096



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

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name <i>Wildcat San Andres (Oil)</i>
Property Code <i>35241</i>	Property Name SOUTH EUNICE STATE 26		Well Number 2
OGRID No. <i>14021</i>	Operator Name MARATHON OIL COMPANY		Elevation 3477'

Surface Location

UL or lot No. 0	Section 26	Township 22-S	Range 36-E	Lot Idn	Feet from the 640	North/South line SOUTH	Feet from the 2087	East/West line EAST	County 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 <i>40</i>									
Joint or Infill									
Consolidation Code									
Order No.									

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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=495417.3 N X=839525.8 E</p> <p>LAT.=32°21'26.01" N LONG.=103°14'01.73" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Frank M Krugh</i> 3/15/06 Signature Date</p> <p>FRANK M KRUGH Printed Name</p> <p>Reg. Comp. Rep. III</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>FEBRUARY 15, 2006</p> <p>Date Surveyed DSR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Gary E. Eidsen</i> 2/24/06 06.11.0296</p> <p>Certificate No. GARY EIDSON 12641</p>

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

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name <i>WILDCAT GRAYBURG (014)</i>
Property Code <i>35241</i>	Property Name SOUTH EUNICE STATE 26		Well Number 2
OGRID No. <i>14021</i>	Operator Name MARATHON OIL COMPANY		Elevation 3477'

Surface Location

UL or lot No. 0	Section 26	Township 22-S	Range 36-E	Lot Idn	Feet from the 640	North/South line SOUTH	Feet from the 2087	East/West line EAST	County 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				
<table border="1"><tr><td>Dedicated Acres <i>40</i></td><td>Joint or Infill</td><td>Consolidation Code</td><td>Order No.</td></tr></table>										Dedicated Acres <i>40</i>	Joint or Infill	Consolidation Code	Order No.
Dedicated Acres <i>40</i>	Joint or Infill	Consolidation Code	Order No.										

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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=495417.3 N X=839525.8 E</p> <p>LAT.=32°21'26.01" N LONG.=103°14'01.73" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Frank M. Krugh</i> 3/15/06 Signature Date</p> <p>FRANK M. KRUGH Printed Name</p> <p>Reg. Comp. Rep. III</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>FEBRUARY 15, 2006</p> <p>Date Surveyed DSR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Gary A. Eidson</i> 2/24/06 06.11.0296</p> <p>Certificate No. GARY EIDSON 12641</p>

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

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name <i>WILD CAT PADDOCK</i>
Property Code <i>35241</i>	Property Name SOUTH EUNICE STATE 26	Well Number 2
OGRID No. <i>14021</i>	Operator Name MARATHON OIL COMPANY	Elevation 3477'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	26	22-S	36-E		640	SOUTH	2087	EAST	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 <i>40</i>	Joint or Infill	Consolidation Code	Order No.						

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

<div><p>GEODETIC COORDINATES NAD 27 NME</p><p>Y=495417.3 N X=839525.8 E</p><p>LAT.=32°21'26.01" N LONG.=103°14'01.73" W</p><p>2087'</p><p>640'</p></div>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Frank M Krugh</i> 3/15/06 Signature Date FRANK M KRUGH Printed Name Reg. Comp. Rep. III</p> <p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>FEBRUARY 15, 2006</p> <p>Date Surveyed DSR Signature & Seal of Professional Surveyor <i>Gary A. Eidson</i> 2/24/06 06.11.0296 Certificate No. GARY EIDSON 12641</p>
--	--

Permit Conditions of Approval

Operator: MARATHON OIL CO , 14021

Well: SOUTH EUNICE 26 STATE #002

API: 30-025-37752

OCD Reviewer	Condition
DMULL	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
DMULL	Will require DHC administrative order for downhole commingling before multiple zones can be produced by commingling in the wellbore.