

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 243273

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

|                                                                                                      |                                                     |                               |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>MARATHON OIL PERMIAN LLC<br>5555 San Felipe St.<br>Houston, TX 77056 |                                                     | 2. OGRID Number<br>372098     |
|                                                                                                      |                                                     | 3. API Number<br>30-015-44490 |
| 4. Property Code<br>319768                                                                           | 5. Property Name<br>RED LIGHT STATE COM 23 26 27 TB | 6. Well No.<br>014H           |

**7. Surface Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| A        | 27      | 23S      | 26E   | A       | 301       | N        | 754       | E        | Eddy   |

**8. Proposed Bottom Hole Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| H        | 34      | 23S      | 26E   | H       | 2324      | N        | 998       | E        | Eddy   |

**9. Pool Information**

|                                 |       |
|---------------------------------|-------|
| YARROW;BONE SPRING, SOUTH (GAS) | 87780 |
|---------------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>GAS        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3285 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>15980 | 18. Formation<br>Bone Spring           | 19. Contractor          | 20. Spud Date<br>10/23/2017        |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type   | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|--------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf   | 17.5      | 13.375      | 54.5             | 450           | 500             | 0             |
| Int1   | 12.25     | 9.625       | 40               | 1900          | 600             | 0             |
| Prod   | 8.75      | 7           | 29               | 9900          | 990             | 0             |
| Liner1 | 6.125     | 4.5         | 13.5             | 15980         | 550             | 8200          |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular    | 5000             | 5000          | Shaffer      |
| Double Ram | 5000             | 5000          | Shaffer      |

|                                                                                                                                                                                                                                                                                                                      |                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.<br><br>Signature: | <b>OIL CONSERVATION DIVISION</b>                           |
| Printed Name: Electronically filed by Melissa Szudera                                                                                                                                                                                                                                                                | Approved By: Raymond Podany                                |
| Title: Regulatory Compliance Representative                                                                                                                                                                                                                                                                          | Title: Geologist                                           |
| Email Address: mszudera@marathonoil.com                                                                                                                                                                                                                                                                              | Approved Date: 10/24/2017      Expiration Date: 10/24/2019 |
| Date: 10/19/2017      Phone: 701-260-7272                                                                                                                                                                                                                                                                            | Conditions of Approval Attached                            |

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**District IV**  
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                                                              |         |                                 |       |                                  |               |                         |               |                          |        |
|--------------------------------------------------------------|---------|---------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|--------------------------|--------|
| <sup>1</sup> API Number                                      |         | <sup>1</sup> Pool Code          |       | <sup>3</sup> Pool Name           |               |                         |               |                          |        |
|                                                              |         | 87780                           |       | YARROW; BONE SPRING              |               |                         |               |                          |        |
| <sup>4</sup> Property Code                                   |         | <sup>5</sup> Property Name      |       |                                  |               |                         |               | <sup>6</sup> Well Number |        |
|                                                              |         | RED LIGHT STATE COM 23 26 27 TB |       |                                  |               |                         |               | 14H                      |        |
| <sup>7</sup> OGRID No.                                       |         | <sup>8</sup> Operator Name      |       |                                  |               |                         |               | <sup>9</sup> Elevation   |        |
| 372098                                                       |         | MARATHON OIL PERMIAN, LLC       |       |                                  |               |                         |               | 3285                     |        |
| <sup>10</sup> Surface Location                               |         |                                 |       |                                  |               |                         |               |                          |        |
| UL or lot no.                                                | Section | Township                        | Range | Lot Idn                          | Feet from the | North/South line        | Feet from the | East/West line           | County |
| A                                                            | 27      | T23S                            | R26E  |                                  | 301           | NORTH                   | 754           | EAST                     | EDDY   |
| <sup>11</sup> 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 |
| H                                                            | 34      | T23S                            | R26E  |                                  | 2324          | NORTH                   | 998           | EAST                     | EDDY   |
| <sup>12</sup> Dedicated Acres                                |         | <sup>13</sup> Joint or Infill   |       | <sup>14</sup> Consolidation Code |               | <sup>15</sup> Order No. |               |                          |        |
| 240                                                          |         |                                 |       |                                  |               |                         |               |                          |        |

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><b>SECTION 21</b></p> <p><b>SURFACE HOLE LOCATION</b><br/>361' FML 754' FEL<br/>NAD 83, SPCS NM EAST<br/>X:559409.76 / Y:446288.33<br/>LAT:32.28188650N / LON:104.27419207W<br/>NAD 27, SPCS NM EAST<br/>X:518277.80 / Y:446229.90<br/>LAT:32.28176887N / LON:104.27419010W</p> <p><b>FIRST TAKE POINT</b><br/>330' FML 1203' FEL<br/>NAD 83, SPCS NM EAST<br/>X:559500.94 / Y:446292.00<br/>LAT:32.28179232N / LON:104.27559630W<br/>NAD 27, SPCS NM EAST<br/>X:508008.98 / Y:446294.82<br/>LAT:32.2867277N / LON:104.27582165W</p> <p><b>SECTION 28</b></p> <p><b>SECTION 27</b></p> <p><b>SECTION 26</b></p> <p><b>SECTION 23</b></p>                                                                                                                                                                                                                                                                                |  |  |  | <p><b>"OPERATOR CERTIFICATION"</b><br/>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or retained 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 owner of such a mineral or working interest, or as a voluntary pooling agreement or a compulsory pooling order heretofore entered by the district.</p> <p><i>[Signature]</i> 10/18/2017<br/>Date</p> <p><b>MELISSA SZUDERA</b><br/>Printed Name<br/>MSZUDERA@MARATHONOIL.COM<br/>E-mail Address</p> |  |  |  |
| <p><b>SECTION 28</b></p> <p><b>SECTION 27</b></p> <p><b>SECTION 26</b></p> <p><b>SECTION 33</b></p> <p><b>SECTION 34</b></p> <p><b>SECTION 35</b></p> <p><b>SECTION 30</b></p> <p><b>SECTION 29</b></p> <p><b>SECTION 28</b></p> <p><b>SECTION 27</b></p> <p><b>SECTION 26</b></p> <p><b>SECTION 25</b></p> <p><b>SECTION 24</b></p> <p><b>SECTION 23</b></p> <p><b>SECTION 22</b></p> <p><b>SECTION 21</b></p> <p><b>SECTION 20</b></p> <p><b>SECTION 19</b></p> <p><b>SECTION 18</b></p> <p><b>SECTION 17</b></p> <p><b>SECTION 16</b></p> <p><b>SECTION 15</b></p> <p><b>SECTION 14</b></p> <p><b>SECTION 13</b></p> <p><b>SECTION 12</b></p> <p><b>SECTION 11</b></p> <p><b>SECTION 10</b></p> <p><b>SECTION 9</b></p> <p><b>SECTION 8</b></p> <p><b>SECTION 7</b></p> <p><b>SECTION 6</b></p> <p><b>SECTION 5</b></p> <p><b>SECTION 4</b></p> <p><b>SECTION 3</b></p> <p><b>SECTION 2</b></p> <p><b>SECTION 1</b></p> |  |  |  | <p><b>"SURVEYOR CERTIFICATION"</b><br/>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>OCTOBER 17, 2017<br/>Date of Survey</p> <p><i>[Signature]</i><br/>Signature and Seal of Professional Surveyor</p> <p><b>LLOYD P. SHORT</b><br/>21653<br/>PROFESSIONAL SURVEYOR</p> <p>Certificate Number<br/>LLOYD P. SHORT</p>                                                                                                                                                                                          |  |  |  |

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form APD Comments

Permit 243273

**PERMIT COMMENTS**

|                                                                                                             |  |                                                |
|-------------------------------------------------------------------------------------------------------------|--|------------------------------------------------|
| Operator Name and Address:<br>MARATHON OIL PERMIAN LLC [372098]<br>5555 San Felipe St.<br>Houston, TX 77056 |  | API Number:<br>30-015-44490                    |
|                                                                                                             |  | Well:<br>RED LIGHT STATE COM 23 26 27 TB #014H |

|            |         |              |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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Form APD Conditions  
  
Permit 243273

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                             |                                                                                     |                                                |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------|
| Operator Name and Address:<br>MARATHON OIL PERMIAN LLC [372098]<br>5555 San Felipe St.<br>Houston, TX 77056 |                                                                                     | API Number:<br>30-015-44490                    |
|                                                                                                             |                                                                                     | Well:<br>RED LIGHT STATE COM 23 26 27 TB #014H |
| OCD Reviewer                                                                                                | Condition                                                                           |                                                |
| RPodany                                                                                                     | Will require a directional survey with the C-104                                    |                                                |
| RPodany                                                                                                     | Cement is required to circulate on both surface and intermediate1 strings of casing |                                                |