

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-103 August 1, 2011 Permit 251048																																																																																
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-015-44620																																																																																
		5. Indicate Type of Lease S																																																																																
		6. State Oil & Gas Lease No.																																																																																
		7. Lease Name or Unit Agreement Name STERLING STATE 23 27 20 WA																																																																																
1. Type of Well: G		8. Well Number 006H																																																																																
2. Name of Operator MARATHON OIL PERMIAN LLC		9. OGRID Number 372098																																																																																
3. Address of Operator 5555 San Felipe St., Houston, TX 77056		10. Pool name or Wildcat																																																																																
4. Well Location Unit Letter <u>O</u> : <u>603</u> feet from the <u>S</u> line and feet <u>1412</u> from the <u>E</u> line Section <u>20</u> Township <u>23S</u> Range <u>27E</u> NMPM _____ County <u>Eddy</u>																																																																																		
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3181 GR																																																																																		
Pit or Below-grade Tank Application ☐ or Closure ☐ Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____																																																																																		
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data <table style="width:100%;"> <tr> <td colspan="2" style="text-align: center;">NOTICE OF INTENTION TO:</td> <td colspan="2" style="text-align: center;">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK ☐</td> <td>PLUG AND ABANDON ☐</td> <td>REMEDIAL WORK ☐</td> <td>ALTER CASING ☐</td> </tr> <tr> <td>TEMPORARILY ABANDON ☐</td> <td>CHANGE OF PLANS ☐</td> <td>COMMENCE DRILLING OPNS. ☐</td> <td>PLUG AND ABANDON ☐</td> </tr> <tr> <td>PULL OR ALTER CASING ☐</td> <td>MULTIPLE COMPL ☐</td> <td>CASING/CEMENT JOB ☐</td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> ☒</td> </tr> </table>			NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:		PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTER CASING ☐	TEMPORARILY ABANDON ☐	CHANGE OF PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDON ☐	PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐		Other: _____		Other: <u>Drilling/Cement</u> ☒																																																													
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. MIRU, Spud 2/7/2018. Drill 17.5" hole to 618'; run 13 5/8" csg, cement csg, NU BOP, pressure test annular (250/2500), all others (250/5000). Pressure test csg to 1500 psi for 30 min, 10 psi drop, test good. Drill 12 1/4" hole to 2131', run 9 5/8" csg, cement csg, pressure tests csg to 1500 psi for 30 min, 54 psi drop, test good. Drill 8 3/4" hole to 9727', run 7" csg, cement, pressure test csg to 3300 psi for 30 min, held, test good. Perform sidetrack operation approved by OCD at 8377'. Drill 6 1/8" hole, perform sidetrack operation approved by OCD at 10388'. See Comments. See Attached 2/7/2018 Spudded well.																																																																																		
Casing and Cement Program <table border="1" style="width:100%; border-collapse: collapse; font-size: small;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>02/07/18</td> <td>Surf</td> <td>FreshWater</td> <td>17.5</td> <td>13.375</td> <td>54.5</td> <td>J55</td> <td>25</td> <td>606</td> <td>814</td> <td>1.33</td> <td>C</td> <td></td> <td>1490</td> <td>10</td> <td>N</td> </tr> <tr> <td>02/26/18</td> <td>Int1</td> <td>Brine</td> <td>12.25</td> <td>9.625</td> <td>40</td> <td>J55</td> <td>25</td> <td>2112</td> <td>695</td> <td>2.37</td> <td>C</td> <td></td> <td>1446</td> <td>54</td> <td>N</td> </tr> <tr> <td>03/05/18</td> <td>Prod</td> <td>CutBrine</td> <td>8.75</td> <td>7</td> <td>29</td> <td>P110</td> <td>25</td> <td>9335</td> <td>838</td> <td>3.22</td> <td>C</td> <td></td> <td>3300</td> <td>0</td> <td>N</td> </tr> <tr> <td>03/24/18</td> <td>Liner1</td> <td>OilBasedMud</td> <td>6.125</td> <td>4.5</td> <td>13.5</td> <td>P110IC</td> <td>8175</td> <td>13798</td> <td>560</td> <td>1.23</td> <td>C</td> <td></td> <td>9242</td> <td>258</td> <td>N</td> </tr> </tbody> </table>			Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole	02/07/18	Surf	FreshWater	17.5	13.375	54.5	J55	25	606	814	1.33	C		1490	10	N	02/26/18	Int1	Brine	12.25	9.625	40	J55	25	2112	695	2.37	C		1446	54	N	03/05/18	Prod	CutBrine	8.75	7	29	P110	25	9335	838	3.22	C		3300	0	N	03/24/18	Liner1	OilBasedMud	6.125	4.5	13.5	P110IC	8175	13798	560	1.23	C		9242	258	N
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I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐ .																																																																																		
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Field Province NEW MEXICO	Proposed Area WALAJA	Field Name	Well Subtype NAD27	Well Log Datum 32 284519	Wellbore ID 104 207444
Well Configuration Type HORIZONTAL	Well Objective EXPLOITATION	Well Status COMPLETION	Ground Elevation (ft) 3,181.00	RSL Ground Elevation (ft) 25.00	

HORIZONTAL - STERLING STATE 23 27 20 WA 6H BP02, 4/12/2018 1:15:17 PM

MD (RKB)	TVD (RKB)	Int (')	Vertical schematic (actual)
304	24.8	0.2	
302	26.2	0.2	
301	26.6	0.2	
1401	145.0	0.4	
901	591.5	1.8	
902	592.8	1.8	
903	604.4	1.7	
904	605.8	1.7	
2093	2,093.5	3.5	
2095	2,095.5	3.5	
2107	2,109.7	3.5	
2113	2,111.3	3.5	
8134	8,134.2	4.2	
8150	8,150.2	4.2	
8152	8,152.8	4.2	
8157	8,159.0	4.2	
8160	8,160.7	4.2	
8164	8,180.6	4.1	
8200	8,500.4	3.4	
8204	8,520.4	3.9	
9166	9,166.7	44.8	
9167	9,167.4	45.2	
9207	9,210.6	98.8	
9219	9,219.1	98.9	
1022	9,227.8	99.6	
1029	9,229.0	99.6	
1030	9,340.8	99.6	
1036	9,340.9	99.6	
1036	9,347.0	99.6	
1036	9,349.3	99.6	
1036	9,349.4	99.6	

Directions to Well

District I
1625 N. French Dr., Hobbs, NM 88240
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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

Comments

Permit 251048

DRILLING COMMENTS

Operator: MARATHON OIL PERMIAN LLC 5555 San Felipe St. Houston, TX 77056	OGRID: 372098
	Permit Number: 251048
	Permit Type: Drilling

Comments

Created By	Comment	Comment Date
acovarrubias	MIRU, Spud 2/7/2018. Drill 17.5" hole to 618', run 13 5/8" csg, cement csg, NU BOP, pressure test annular (250/2500), all others (250/5000). Pressure test csg to 1500 psi for 30 min, 10 psi drop, test good. Drill 12 1/4" hole to 2131', run 9 5/8" csg, cement csg, pressure tests csg to 1500 psi for 30 min, 54 psi drop, test good. Drill 8 3/4" hole to 9727', run 7" csg, cement, pressure test csg to 3300 psi for 30 min, held, test good. Perform sidetrack operation approved by OCD at 8377'. Drill 6 1/8" hole, perform sidetrack operation approved by OCD at 10388'. Drill 6 1/8" to 13804', run 4 1	4/12/2018