

DATE IN <u>5/22/06</u>	SUSPENSE	ENGINEER <u>MIKE STUGNER</u>	LOGGED IN	TYPE <u>NSL</u>	APP NO. <u>pTDS0614252978</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Charles E. Kendrick
 Print or Type Name

Charles E. Kendrick
 Signature

Regulatory Compliance Rep 5/17/06
 Title Date

cckendrix@marathanoil.com
 e-mail Address

2006 MAY 22 PM 1 52



Southern Business Unit

P. O. Box 3487

Houston, TX 77253-3487

5555 San Felipe Road

Houston, TX 77056-2799

Telephone: (713) 296-2096

FAX: (713) 499-6750

May 17, 2006

New Mexico Oil Conservation Division
Attn: Mr. Micheal Stogner
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Exception to 19.15.3.104.B. (1)

Dear Mr. Stogner,

Marathon Oil Company is requesting that we be permitted a non-standard location for an existing wellbore on our South Eunice Seven Rivers Queen Unit in section 26. This well, the South Eunice Water Supply No. 1 (30-025-31733) was originally drilled as a water source well which supplied water for the South Eunice Unit water flood from the San Andres formation. The well is no longer needed in this capacity and has been shut in. A request has been submitted to the NMOCD in Hobbs to change the name on this well to the 'South Eunice 26 State No. 1'. This was done to help distinguish non-unit well completions from unit well completions in this area.

Marathon is seeking the NSL for the well in order to test the feasibility of developing Grayburg formation production wells in the area. A non-standard location permit would allow Marathon to benefit from the well's central location in relation to our acreage in Section 26 for testing. It would also make use of an otherwise idle wellbore, and in addition save Marathon the cost of converting a producing well or drilling a new well.

Marathon has not notified the offset operators to the South Eunice 26 State lease, because we do not believe a non-standard location exception for this oil well will impact production on any lease not held by Marathon. The diagram of the section that accompanies this application shows that the well is located on an inner quarter/quarter line to acreage that is held by Marathon. In addition Marathon and the State of New Mexico are the only interest holders in the lease.

There are two wells operated by BP America located in this quarter section. These two wells are the McDonald WN State No. 8 (API # 30-025-09049), and the McDonald WN State No. 33 (API # 30-025-34545). These two wells are Jalmat gas wells. An agreement between Marathon and BP America gives BP America rights to any well on the lease that will qualify as a gas well with a GOR ratio of greater than 100,000 cu/ft to 1 barrel of oil. Any qualifying completion would be turned over to BP America as operator. Marathon does not perceive that the Grayburg completion would ever have a GOR high enough to be classed as a gas well which would have to be turned over to BP America. In addition Marathon's operation of a Grayburg oil well in this area will not affect BP America's existing gas wells.

It is Marathon's contention that allowing production from the Grayburg formation in this well will not impact correlative rights on any lease held by other operators. Marathon and the State of New Mexico are the sole interest holders in the Grayburg formation on the South Eunice 26 State lease. Please see the attached C-102 filed with the NMOCD in Hobbs, and maps of the area showing the location and proximity to other leases.

If you should need more information in order to process this request please call me at ph. 713-296-2096 or you can reach me via email at cekendrix@marathonoil.com.

Sincerely,

Charles E. Kendrix

Charles E. Kendrix
Engineering Technician
Marathon Oil Company

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 & Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-31733	² Pool Code	³ Pool Name Wildcat Grayburg
⁴ Property Code	⁵ Property Name now South Eunice (Non Unit) South Eunice 26 State	⁶ Well Number 1
⁷ OGRID No. 01363	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3478'

¹⁰ Surface Location

UL or lot no. J	Section 26	Township 22-S	Range 36-E	Lot. Idn	Feet from the 1392'	North/South line South	Feet from the 1818'	East/West line East	County Lea
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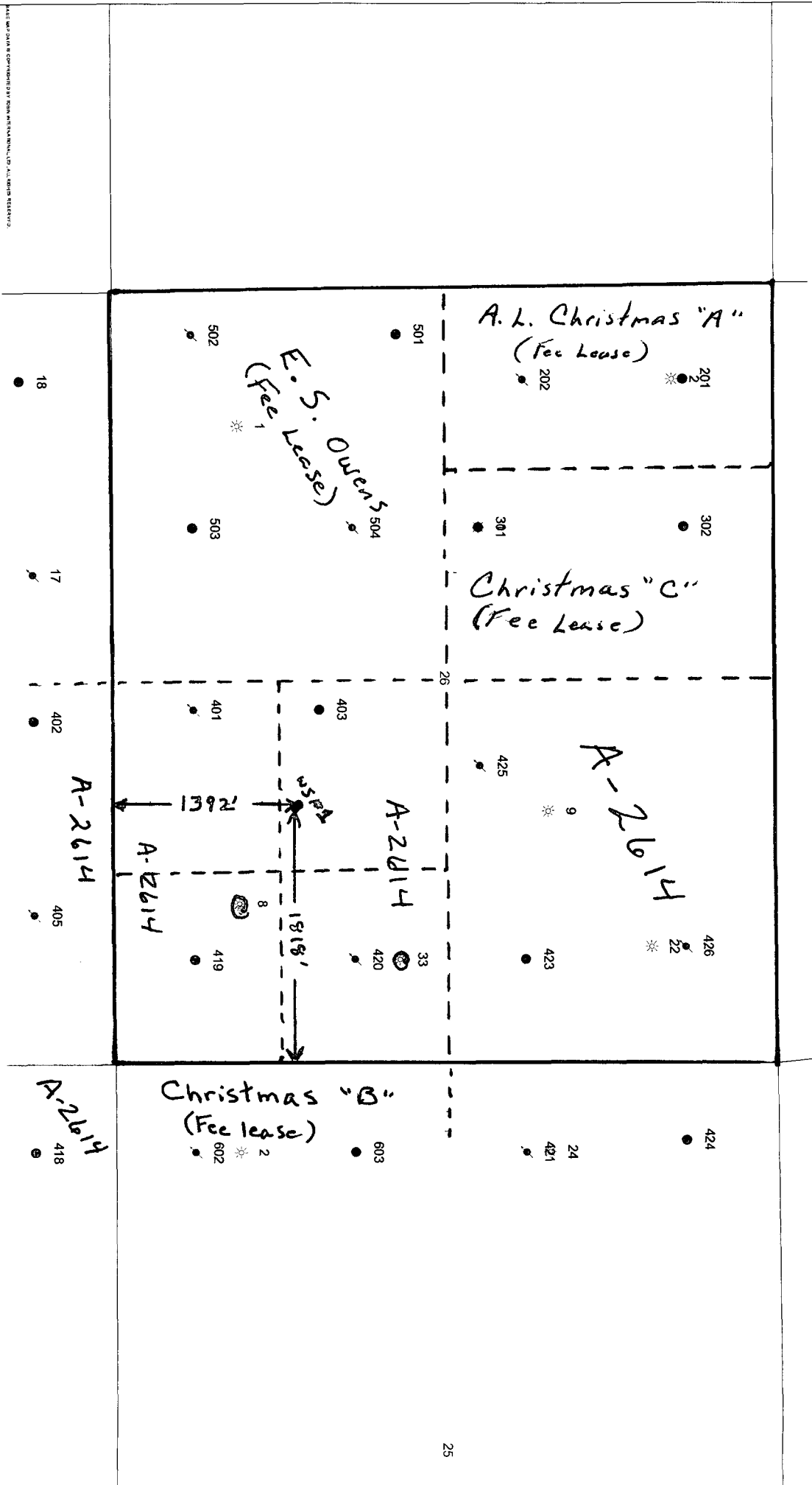
¹¹ Bottom Hole Location If Different From Surface

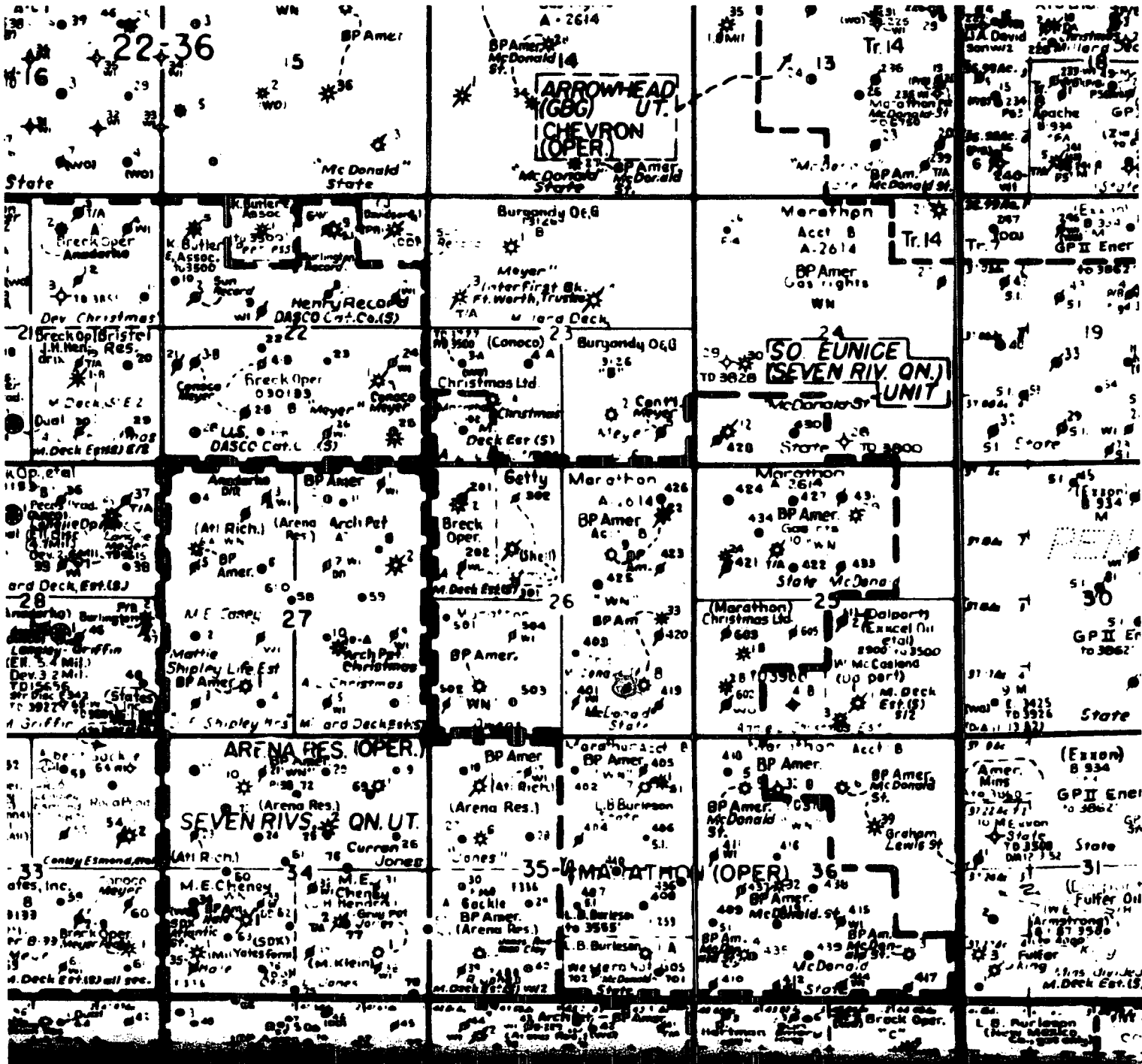
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.						

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

¹⁶				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Charles E. Kendrick</u> Signature <u>Charles E. Kendrick</u> Printed Name <u>Engineering Technician</u> <u>cekendrix@marathonoil.com</u> Title and E-mail Address <u>11/14/2005</u> Date
				¹⁸ 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 supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

South Eunice (7RO) Unit Section 26





Submit to Appropriate
District Office
State Lease -- 6 copies
Fee Lease -- 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

API NO. (assigned by OCD on New Wells)

30-025-31733

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

A - 2614

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☐

OTHER WATER WELL

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

SOUTH EUNICE WATER SUPPLY

2. Name of Operator

Marathon Oil Company *Attn: Walter D. Pearce*

8. Well No.

1

3. Address of Operator

P.O. Box 552 Midland, Tx. 79702

9. Pool name or Wildcat
Undesignated
~~EUNICE, SOUTH~~ *San Andres*

4. Well Location

Unit Letter J : 1392 Feet From The SOUTH Line and 1818 Feet From The EAST Line

Section 26

Township 22 - S

Range 36 - E

NMPM LEA

County

10. Proposed Depth

4700'

11. Formation

SAN ANDRES

12. Rotary or C.T.

ROTARY

13. Elevations (Show whether DF, RT, GR, etc.)

3478.3' G.L.

14. Kind & Status Plug. Bond

BLANKET CURRENT

15. Drilling Contractor

UNKNOWN

16. Approx. Date Work will start

OCT. 15, 1992

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
20"	16"	CONDUCTOR	40'	REDI - MIX	CIRCULATE
14-3/4"	11-3/4"	42	450'	350	CIRCULATE
11"	8-5/8"	32 & 36	4700'	1165	CIRCULATE

THIS WELL IS INTENDED AS A WATER SUPPLY WELL TO PROVIDE A PORTION OF THE REQUIRED WATER FOR A SECONDARY RECOVERY PROGRAM IN THE SOUTH EUNICE SEVEN RIVERS - QUEEN UNIT.

THE BLOWOUT PREVENTION EQUIPMENT FOR THIS WELL IS AS FOLLOWS: SURFACE HOLE - 16-3/4", 2M ANNULAR PREVENTER. PRODUCTION HOLE - 13-5/8", 3M ANNULAR WITH 3M DUAL RAMS AND MUD CROSS.

H2S DETECTION AND BREATHING EQUIPMENT SHALL BE INSTALLED BY 1000'.

ALL CASING AND CEMENTING OPERATIONS SHALL BE PERFORMED IN ACCORDANCE WITH STATE RULES.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Cecil T. Pearce

TITLE

DRILLING SUPERINTENDENT

DATE

TYPE OR PRINT NAME CECIL T. PEARCE

TELEPHONE NO. 915-682-1626

(This space for State Use) ORIGINAL SIGNED BY JERRY SEXTON

DISTRICT I SUPERVISOR

APPROVED BY

TITLE

DATE

SEP 14 '92

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

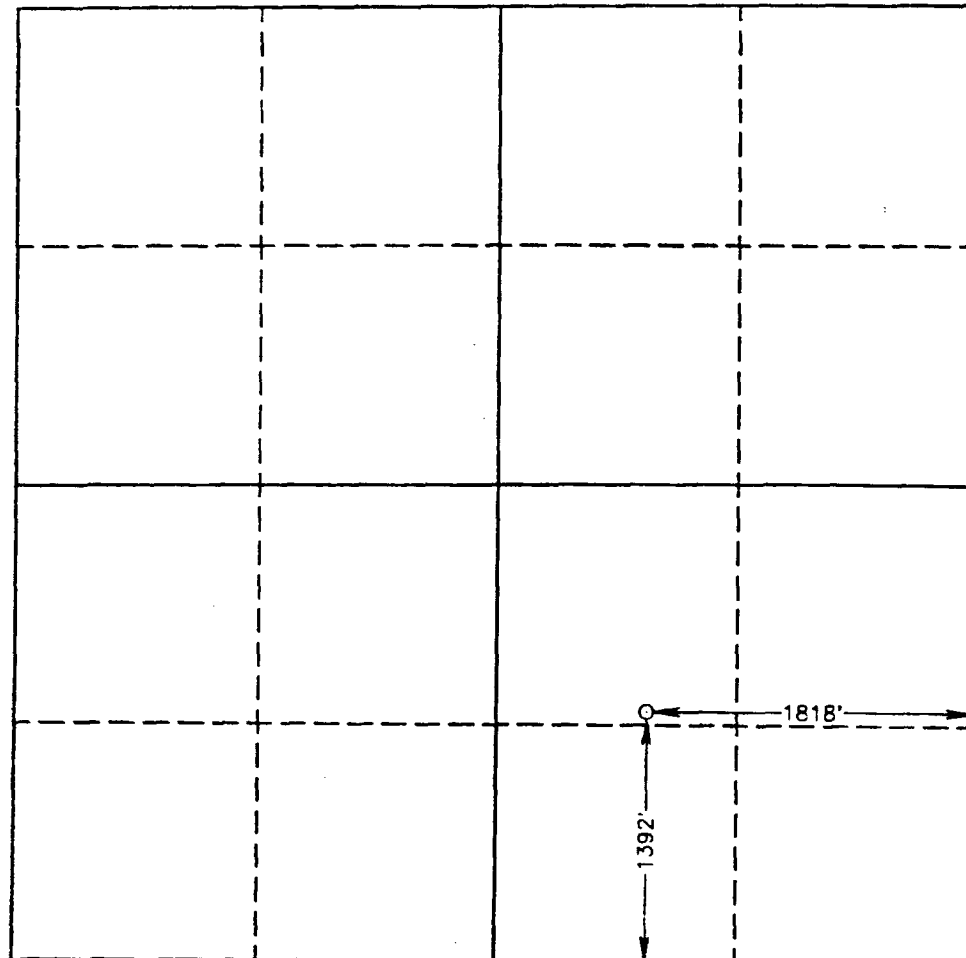
All Distances must be from the outer boundaries of the section

Operator MARATHON OIL CO.			Lease SOUTH EUNICE WATER SUPPLY		Well No. 1
Unit Letter J	Section 26	Township 22 SOUTH	Range 36 EAST	NMPN	County LEA
Actual Footage Location of Well: 1392 feet from the SOUTH line and 1818 feet from the EAST line					
Ground Level Elev. 3478.3'	Producing Formation San Andres		Pool <i>undesignated</i> Eunice, South		Dedicated Acreage: Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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 belief.

Signature

Printed Name

Cecil T. Pearce

Position

Drilling Supt.

Company

Marathon Oil Company

Date

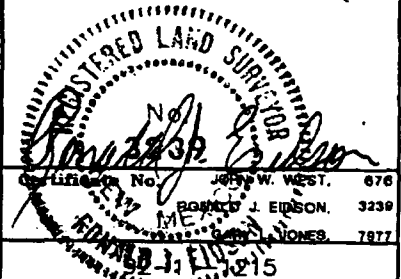
SURVEYOR CERTIFICATION

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 supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

AUGUST 27, 1992

Signature & Seal of
Professional Surveyor



Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-025-31733

5. Indicate Type of Lease.
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
A-2614

7. Lease Name or Unit Agreement Name
South Eunice Water Supply Well

8. Well No.
1

9. Pool name or Wildcat
Undesignated San Andres

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.)

1. Type of Well:
OIL WELL ☐ GAS WELL ☐ OTHER Water Source Well

2. Name of Operator
Marathon Oil Company

3. Address of Operator
P.O. Box 552 Midland, Tx. 79702

4. Well Location
Unit Letter J : 1392 Feet From The South Line and 1818 Feet From The East Line

Section 26 Township 22S Range 36E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3478.3' G. L.

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☒
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

12. 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.

This well was originally planned to have 450' of 14-3/4" hole cased with 11-3/4" casing and 4700' of 11" hole cased with 8-5/8" casing. Cost considerations and a reduction in long term water needs have resulted in a desire for a slim hole well design. We request approval to have 450' of 12-1/4" hole cased with 9-5/8" casing and 4700' of 8-3/4" hole cased with 7" casing.

We still plan to circulate cement on both casing strings.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE John F. Greve (John F. Greve) TITLE Drilling/Workover Supt. DATE 11/20/92

TYPE OR PRINT NAME Cecil T. Pearce

TELEPHONE NO. 915-687-8344

(This space for State Use) ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

NOV 30 '92

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

WELL NAME AND NUMBER WSW #1 #15 South Sun Co. Water Pump #1LOCATION Lea County, New Mexico - Sec. 26, Range T22S, Blk. R36EOPERATOR Marathon Oil CompanyDRILLING CONTRACTOR V & B Drilling Company

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

Degrees and Depth	Degrees and Depth	Degrees and Depth
<u>3/4° 450'</u>		
<u>3/4° 961'</u>		
<u>1 1/4° 1332'</u>		
<u>1 1/4° 2071'</u>		
<u>2° 2346'</u>		
<u>2° 2747'</u>		
<u>2° 2900'</u>		
<u>2° 3270'</u>		
<u>1-3/4° 3725'</u>		
<u>1-3/4° 4154'</u>		
<u>1-3/4° 4288'</u>		
<u>2° 4700'</u>		

DRILLING CONTRACTOR V & B Drilling CompanyBY Frances HansonSubscribed and sworn to before me this 9th day of December, 1992

My Commission expires:

June 4, 1996

Laura La Roque
Notary Public Laura La Roque
Ector County, Texas

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-105
Revised 1-1-89

WELL API NO. 30-025-31733
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. A-2614

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER WATER SUPPLY WELL <input type="checkbox"/>	7. Lease Name or Unit Agreement Name SOUTH EUNICE WATER SUPPLY
b. Type of Completion: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DRY RESER. <input type="checkbox"/> OTHER <input type="checkbox"/>	8. Well No. 1
2. Name of Operator Marathon Oil Company	9. Pool name or Wildcat UNDESIGNATED (SAN ANDRES)
3. Address of Operator P.O. BOX 552, MIDLAND, TEXAS, 79702	

4. Well Location Unit Letter J : 1392 Feet From The SOUTH Line and 1818 Feet From The EAST Line Section 26 Township 22-S Range 36-E NMFM LEA County

10. Date Spudded 11/27/92	11. Date T.D. Reached 12/06/92	12. Date Compl. (Ready to Prod.) 01/09/93	13. Elevations (DF & RKB, RT, GR, etc.) GL: 3478.3'	14. Elev. Casinghead
15. Total Depth 4699'	16. Plug Back T.D. 4650'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By ALL	19. Producing Interval(s), of this completion - Top, Bottom, Name SAN ANDRES 4158'-4599'
21. Type Electric and Other Logs Run DIL/MSFL/GR/CCL & LDT/CNL/GR/CCL				20. Was Directional Survey Made YES
22. Was Well Cored NO				

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	32.3	450'	12-1/4"	250 SX	
7"	20 & 23	4698'	8-3/4"	850 SX	

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					3-1/2"	4550'	

26. Perforation record (interval, size, and number) 4158'-68", 78'-86", 4203'-64', 4385'-95", 4414'-31", 76'-81', 4489'-4526', 76'-91', W/4 SPF.	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	4158'-4264'	5000 GALS 15% HCL ACID
	4385'-4526'	5000 GALS 15% HCL ACID
	4576'-4591'	5000 GALS 15% HCL ACID

PRODUCTION

28. Date First Production 01/10/93		Production Method (Flowing, gas lift, pumping - Size and type pump) SUBMERSIBLE PUMP				Well Status (Prod. or Shut-in) PRODUCING	
Date of Test 01/10/93	Hours Tested 24	Choke Size ---	Prod'n For Test Period	Oil - Bbl. 0	Gas - MCF 0	Water - Bbl. 6736	Gas - Oil Ratio ---
Flow Tubing Press. ---	Casing Pressure 30	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 0	Water - Bbl. 6736	Oil Gravity - API - (Corr.) ---	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)	Test Witnessed By ROD PROSCENO
--	-----------------------------------

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Brent D Lockhart Printed Name BRENT D. LOCKHART Title TECHNICIAN Date 01/27/93

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-31733 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. A-2614
7. Lease Name or Unit Agreement Name South Eunice Water Supply Well
8. Well No. 1
9. Pool name or Wildcat Undesignated San Andres
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3478.3' G. L.

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.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Water Source Well
2. Name of Operator Marathon Oil Company
3. Address of Operator P.O. Box 552 Midland, Tx. 79702
4. Well Location Unit Letter J : 1392 Feet From The South Line and 1818 Feet From The East Line Section 26 Township 22S Range 36E NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3478.3' G. L.

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: INITIAL COMPLETION <input checked="" type="checkbox"/>

12. 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.

12/30/92 POOH W/KILLSTRING. PERF'D SAN ANDRES @ 4158'-68', 78'-86', 4203'-64', 4385'-95', 4414'-31', 76'-81', 4489'-4526', 76'-91' W/4 SPF.

12/31/92 RIH W/RBP & PKR ON 2-7/8" TUBING. ACIDIZED @ 4576'-91' W/5000 GALS 15% HCL ACID.

01/01/93 ACIDIZED @ 4385'-4526' W/5000 GALS 15% HCL ACID. ACIDIZED @ 4158'-4264' W/5000 GALS 15% HCL ACID. POOH W/SAME. SWI. RDPU & MOL.

01/09/93 MIRU PU. RIH W/SUB PUMP ON 3-1/2" DUO-LINED TUBING. PLACED ON TEST. NU WELLHEAD. RDPU & MOL.

01/10/93 WELL PUMPED 6736 BWPD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Brent D. Lockhart TITLE ADVANCED ENGINEERING TECH DATE 01/27/93
TYPE OR PRINT NAME BRENT D. LOCKHART TELEPHONE NO. 915-682-1626

(This space for State Use) ORIGINAL SIGNED BY JERRY SEXTON
SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

FEB 03 1993

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-31733
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. A-2614
7. Lease Name or Unit Agreement Name South Eunice Water Supply Well
8. Well No. 1
9. Pool name or Wildcat Undesignated San Andres

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.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Water Source Well	
2. Name of Operator Marathon Oil Company	
3. Address of Operator P.O. Box 552 Midland, Tx. 79702	
4. Well Location Unit Letter J : 1392 Feet From The South Line and 1818 Feet From The East Line Section 26 Township 22S Range 36E NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3478.3' G. L.	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: DRILLING & CASING OPERATIONS <input checked="" type="checkbox"/>	

12. 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.

11-27-92 MIRU V&B DRLG RIG #2. SPUD 12-1/4" HOLE @ 17:30 HRS.
11-28-92 TD 12-1/4" HOLE @ 450' @ 04:30 HRS. RAN 9-5/8", 32.3#, H-40, STC @ 450'.
CMT W/250 SX CLASS "C" W/2% CaCl & 0.25 #/SK CELLOFLAKE @ 14.8 PPG. CIRC'D TO SURFACE.
11-29-92 RIH W/BIT. TAG CMT @ 406'. DO TO 435'. TEST CSG TO 1000 PSI. OK. CONTINUE TO DRILL.
12-06-92 TD 8-3/4" HOLE @ 4699' @ 06:45 HRS. RAN DIL/MSFL/GR/CCL & LDT/CNL/GR/CCL LOGS.
12-07-92 RAN 31 JTS OF 7", 23#, K-55, STC & LTC & 78 JTS 7", 20", K-55, STC, NEW CASING.
DV TOOL @ 4001'. SHOE @ 4698'.
12-08-92 CMT 1ST STAGE W/150 SX CLASS "C" W/0.5% D59, 3% M117, 0.5%, 0.2% D46 @ 14.6 PPG.
OPEN DV TOOL. CMT 2ND STAGE W/750 SX CLASS "C"/POZ/GEL W/0.5% D112 & 0.25 #/SK D29.
TAILED W/100 SX CLASS "C" NEAT. RELEASED RIG @ 10:00 HRS.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cecil T. Pearce TITLE Drilling/Workover Supt. DATE 01/27/93
TYPE OR PRINT NAME Cecil T. Pearce TELEPHONE NO. 915-687-8344

(This space for State Use)
ORIGINAL REVIEWED BY JERRY SEXTON
SUPERVISOR

FEB 03 1993

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

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

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address Marathon Oil Company P.O. Box 3487 Houston, TX 77253-3487		² OGRID Number 14021
		³ API Number 30- 25-31733
⁴ Property Code 35241	⁵ Property Name South Emice (Non Unit)	⁶ Well No. 1
⁹ Proposed Pool 1 Wildcat Grayburg		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
J	26	22-S	36-E		1392'	South	1818'	East	Lea

⁸ Proposed 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

Additional Well Location

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3478'
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formation Grayburg	¹⁹ Contractor	²⁰ Spud Date
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method: No Pit Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32#	450'	250	Surface
8 3/4"	7"	20 & 23 #	4698'	1000	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Marathon Oil plans to re-complete the South Emice Seven Rivers Queen No. 1 WSW well to the Grayburg formation. This well was a water source well which provided water for the South Emice Seven Rivers Queen unit. The well is no longer needed in this capacity. Marathon proposes to make use of the wellbore as test well in the Grayburg. We are asking the well be renamed to designate that it not a unit well. The Grayburg recompletion will be done with a cast iron bridge plug set @ 4140 above existing San Andres perfs, and the Grayburg then perforated from 3888 to 4116'.

²³ 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 NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.
Signature: **Charles E. Kendrick**

Printed name: **Charles E. Kendrick**

Title: **Engineering Technician**

E-mail Address: **cekendri@marathonoil.com**

Date: **11/14/2005**

Phone: **713-296-2096**

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

Expiration Date:

NOV 22 2005

Conditions of Approval:

Attached ☐

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 & Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-31733		² Pool Code ✓	³ Pool Name Wildcat Grayburg
⁴ Property Code 35241	⁵ Property Name South Emice (Non Unit)		⁶ Well Number 1
⁷ OGRID No. 01363	⁸ Operator Name Marathon Oil Company		⁹ Elevation 3478'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	26	22-S	36-E		1392'	South	1818'	East	Lea

¹¹ 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
¹² Dedicated Acres 40		¹³ Joint or Infill N		¹⁴ Consolidation Code		¹⁵ 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>16</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Charles E. Kendrick</u> Signature</p> <p><u>Charles E. Kendrick</u> Printed Name</p> <p><u>Engineering Technician</u> Title and E-mail Address</p> <p><u>cekendrix@marathonoil.com</u></p> <p><u>11/14/2005</u> Date</p>
	<div>18 SURVEYOR CERTIFICATION</div> <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>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyer:</p> <p>_____ Certificate Number</p>

Submit 3 Copies To Appropriate District
Office
District I
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-025-31733
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	A-2614
7. Lease Name or Unit Agreement Name:	South Emice 26 State
8. Well Number	1
9. OGRID Number	14021
10. Pool name or Wildcat	Wildcat Grayburg

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.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator Marathon Oil Company
3. Address of Operator P.O. Box 3487 Houston, TX 77253-3487	4. Well Location Unit Letter J : 1392' feet from the South line and 1818' feet from the East line Section 26 Township 22-S Range 37-E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3478' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Change Well Name ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OPER. OGRID NO. 14021
OTHER: PROPERTY NO. 35506 ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and proposed dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

API NO. 30-025-31733

Marathon Oil Company is requesting a name change for this well. The well was formerly named the South Emice Water Supply No. 1. A request to change to the South Emice (Non-Unit) No. 1 was processed on a C-101 in November 2005. We are requesting that the well be renamed the South Emice 26 State No. 1. This is to aid in grouping the new non-unit wells Marathon is drilling in the area with this non-unit well. (The South Emice 26 State No. 2 well has been permitted for drilling in Section 26)

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 NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Charles E. Kendrick TITLE Reg Compliance Rep DATE 05/17/2006

Type or print name Charles E. Kendrick

E-mail address: cekendrix@marathonoil.com

Telephone No. 713-296-2096

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE MAY 23 2006

Conditions of Approval, if any: