

N.M. Oil Cons. Div. Dist. 2
UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐GAS WELL ☒OTHER ☐

2. NAME OF OPERATOR

Marathon Oil Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 552 Midland, TX 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

739' FNL & 906' FEL Per SN Doctor 3/22/03

At proposed prod. zone

1600' FNL & 660' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

15 miles NW of Carlsbad

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest dir. unit line, if any) 739'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

288'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3649' G.L.

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" K-55	36#	1200'	440 sks. WITNESS
8-3/4"	7" K-55	23#/26#	8200'	1280 sks.

Carlsbad Controlled Water Basin

Marathon is proposing to drill a Directional well to a BHL Southeast of the Surface hole location. The well will be drilled to a Standard BHL target.

The Surface hole is located on the same drilling pad as the previously drilled and completed Indian Hills Unit # 45. This will conserve space and minimize surface disturbances.

Archaeology is clear on the area of disturbance for the well.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE

Engineer Tech.

DATE

9/09/02

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/S/ JOE G. LARA

TITLE

FIELD MANAGER

DATE

APR 4 2003

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVAL FOR 1 YEAR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

NM-06293

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

Indian Hills Unit

8. Well Name and No.

Indian Hills Unit # 49

9. API Well No.

10. Field and Pool, or Exploratory Area

Indian Basin U. P. Assoc.

11. County or Parish, State

Eddy N.M.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3a. Address

P.O. Box 552 Midland, TX 79702

3b. Phone No. (include area code)

915-687-8360

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 28, T-21-S, R-24-E 705' FNL & 855' FEL

Eddy Co. N.M.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

A mistake was made on the Surface hole location stake. John West has corrected the mistake and sent a new

C-102 plat and verification map. Please note the new Surface location footage calls.

Due to the error on the surface hole location a new Directional plan was made to match the new location. Please find the new directional plan and C-102 attached.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jerry Fletcher

Title

Engineer Tech.

Date 3/21/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ JOE G. LARA

Title

FIELD MANAGER

Date APR 4 2003

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	33685	Indian Basih Upper Penn. Assoc.
Property Code	Property Name	Well Number
6409	INDIAN HILLS UNIT	49
OGRIID No.	Operator Name	Elevation
14021	MARATHON OIL COMPANY	3649'

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	28	21-S	24-E		705'	NORTH	855'	EAST	EDDY

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	28	21-S	24-E		1600'	NORTH	660'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320 N/2			

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>Producing Area</p> <p>Project Area</p> <p>SURFACE LOC. GEODETIC COORDINATES NAD 27 NME Y = 529566.6 X = 449822.0 LAT. 32°27'20.83"N LONG. 104°29'47.97"W</p> <p>BH LOC. Y = 528672.9 X = 449804.9</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jerry Fletcher</i> Signature Jerry Fletcher Printed Name Engineer Tech. Title 3/21/03 Date</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>AUGUST 13, 2002</p> <p>Date Surveyed Signature & Seal of Professional Surveyor <i>Gary Edson</i> 02.11.0576 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641</p>

Exhibit "I"

Marathon Oil Company

SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN (SPCC PLAN)

Marathon Oil Company has pollution prevention, good housekeeping, safety and fire prevention policies that are to be followed at all times. All company employees, contractors and subcontract personnel are to observe safe working practices and prevent pollution to the maximum extent possible.

In the event of an emergency, spill, fire, explosion or blowout, personal injuries, property or equipment damage, call **MARATHON OIL COMPANY @ 915-559-9339**

Prior to drilling, certain measures should be taken:

1. Use impervious materials to build the location and the reserve pit.
2. Ditch the outline of the rig toward the reserve pit.
3. Place sumps on each end of the rig to catch any free oil or debris from entering the reserve pit.
4. Keep materials on location to contain or clean up spills (absorbent pads, shovels, etc).
5. Make known to Drilling Supervisors a list of spill response contractors available.
6. BOP testing shall be performed each time a casing string is set.
7. The Drilling contractor is required to have a certified SPCC plan for the Drilling rig.
8. Routine inspections of the operations shall be performed to ensure SPCC guidelines are followed.
9. Ensure all Marathon personnel are HAZWOPER trained in methods for stopping, controlling, and cleaning up any spills.

Spill control measures to be taken:

1. Shut down activities underway, as deemed necessary by the person in charge.
2. Determine the source of pollution and stop the discharge, if possible.
3. Isolate and contain the discharged materials, if possible.
4. Seek guidance from the Southern Region Emergency Action Plan.

