

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-25399

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC-029388(d)
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Marathon Oil Company		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P. O. Box 552, Midland, TX 79702		8. FARM OR LEASE NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL & 1980' FWL At proposed prod. zone Same as above.		9. WELL NO. 3
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 10 miles ESE from Loco Hills, New Mexico		10. FIELD AND POOL, OR WILDCAT Undesignated (Bone Spring)
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660' & 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 11, T-18-S, R-31-E
16. NO. OF ACRES IN LEASE 960.26		12. COUNTY OR PARISH Eddy
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE New Mexico
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1867'		14. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 9200'		22. APPROX. DATE WORK WILL START* As soon as possible
20. ELEVATIONS (Show whether DF, RT, GR, etc.) 3752.8' GR		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48	660'	550 sx Circulate
11"	8 5/8"	24, 32	2700'	1200 sx Circulate
7 7/8"	5 1/2"	15.5, 17	9200'	1000 sx

Propose to drill no deeper than 9200'.

All casing will be cemented in accordance with regulations and by approved methods.
Blowout preventers will be as outlined in Additional Information (See Exhibits).

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. 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 Jim R. Lewis TITLE Dist. Drlg. Superintendent DATE 9/5/85
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY ORIGINAL OF RECORD TITLE _____ DATE 9-13-85
CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions On Reverse Side

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

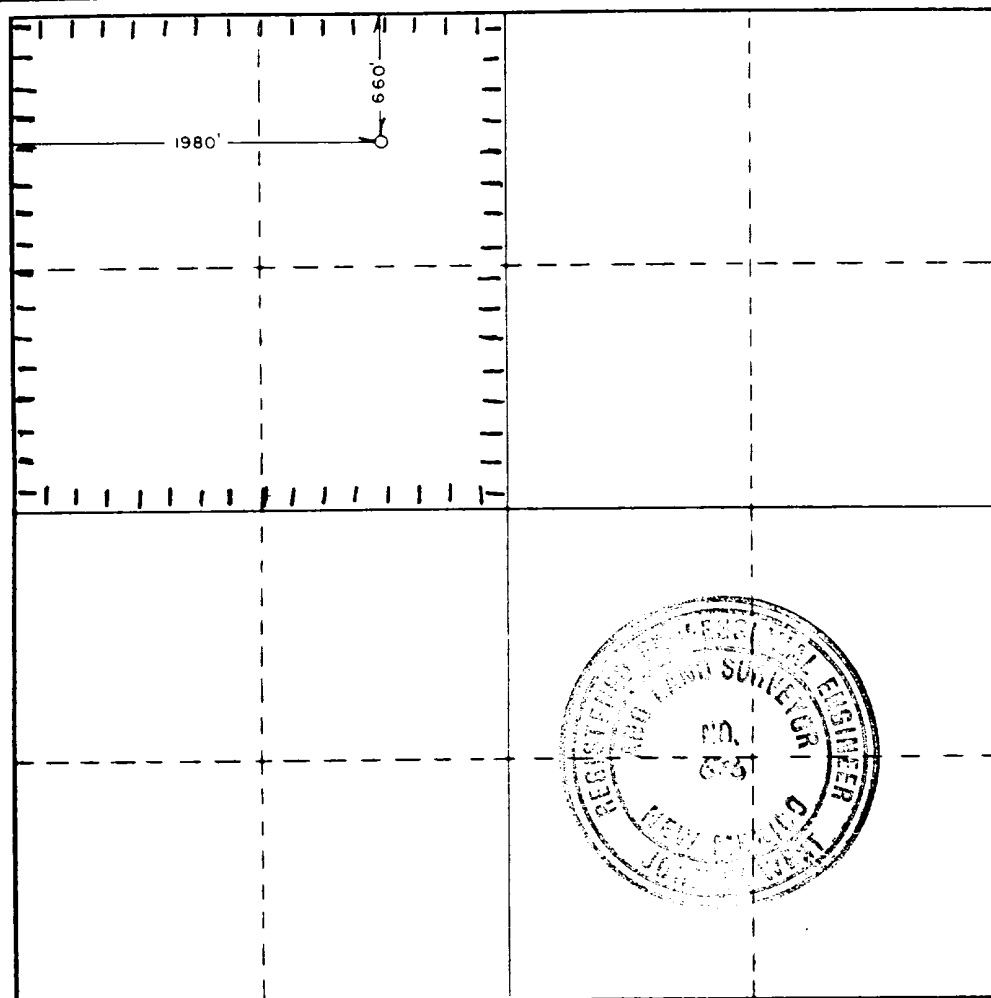
Operator MARATHON OIL COMPANY		Lease JOHNSON "B" FED. ACCOUNT 1		Well No. 3
Unit Letter C	Section 11	Township 18 SOUTH	Range 31 EAST	County EDDY
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the WEST line				
Ground Level Elev. 3752.8'	Producing Formation Bone Spring	Pool Undesignated	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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



CERTIFICATION

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

Terry L. Rivers
Name

Terry L. Rivers

Position

Drilling Supt.

Company

Marathon Oil Company

Date

August 27, 1985

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 15, 1985

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

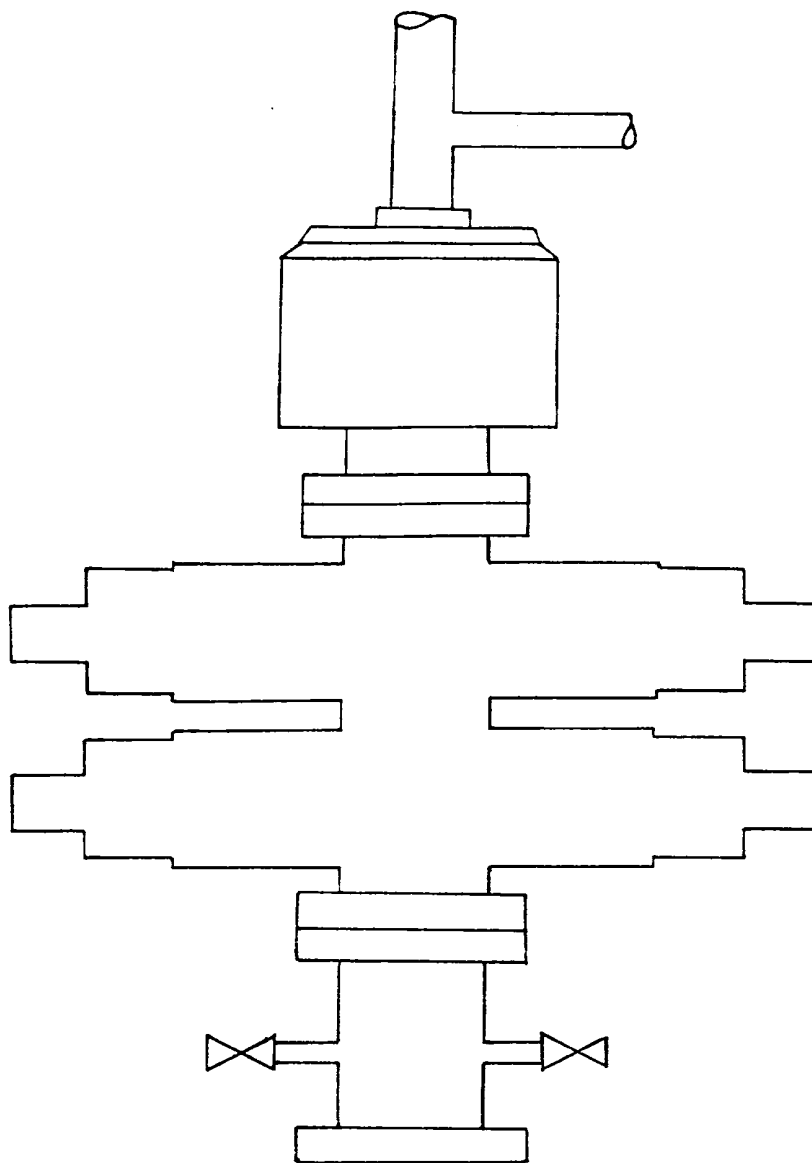


EXHIBIT "A"
BOP STACK ARRANGEMENT
13 3/8" SURFACE CASING

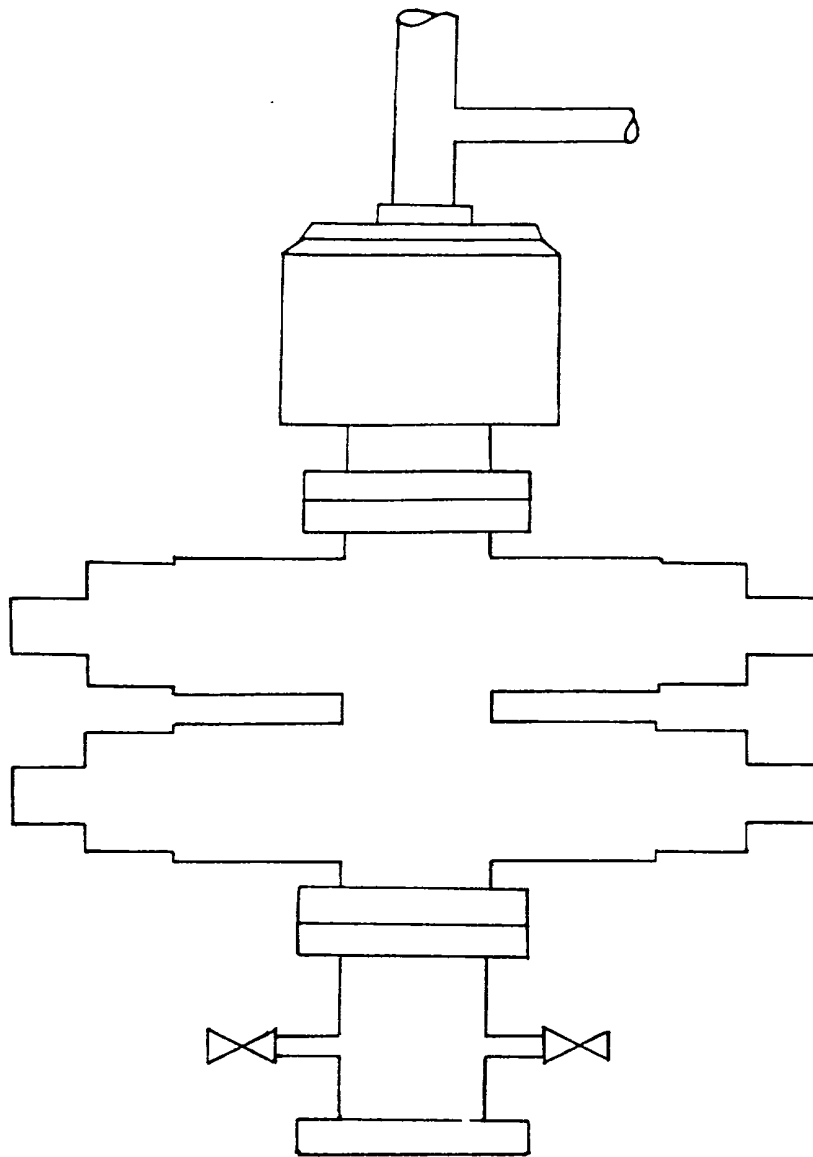


EXHIBIT "B"
BOP STACK ARRANGEMENT
8 5/8" INTERMEDIATE CASING

DRILLING PROGRAM

MARATHON OIL COMPANY

JOHNSON "B" FEDERAL A/C 1 WELL NO. 3

ADDITIONAL INFORMATION

Comply with Order 1

In conjunction with Form 3160-3, Application to drill subject well, Marathon Oil Company submits the following items of information in accordance with BLM requirements:

1. Geologic Name of Surface Formation

Quaternary Alluvium

2. Estimated Tops of Important Geologic Markers

Rustler	850	Bone Spring	5520
Yates	2270	1st Sand	7530
Seven Rivers	2730	2nd Carb	7800
Queen	3430	2nd Sand	8100
Grayburg	3930	3rd Carb	8760
San Andres	4310		
Delaware	4740		

3. Estimated Depths of Anticipated Water, Oil or Gas Bearing Formations

Yates (Water)	2270	Bone Spring (Water)	5520
Seven Rivers (Water)	2730	1st Sand (Water)	7530
Queen (Water & Oil)	3430	2nd Carb (Water & Oil)	7800
Grayburg (Water & Oil)	3930	2nd Sand (Water & Oil)	8100
San Andres (Water)	4310	3rd Carb (Water)	8760
Delaware (Water & Oil)	4740		

4. Casing and Cementing Program

13 3/8" Surface to 600': Cement to surface with 350 sx Modified Lite and 200 sx Class "C" with 2% CaCl₂

8 5/8" Intermediate to 2700': Cement to surface with 1000 sx Modified Lite followed by 200 sx Class "C" with 2% CaCl₂

5 1/2" Prod. casing to 9200': Cement to 2200' with 500 sx Modified Lite followed by 500 sx Class "H" 50/50 Pozmix

5. Pressure Control Equipment (Exhibits A & B)

13 3/8" Surface: 11" 3000 psi working pressure annular preventor tested to 1000 psi

11" 3000 psi working pressure pipe and blind rams tested to 1000 psi

8 5/8" Intermediate: 11" 3000 psi working pressure annular preventor tested to 3000 psi

11" 3000 psi working pressure pipe rams and blind rams tested to 3000 psi

6. Proposed Mud Program

0 - 600	Native; Mud Wt - 8.6 - 9.0, Viscosity 30-34 Sec
600 - 2,700	Brine Water; Mud Wt - 9.0 - 10.0, Viscosity 28-32 Sec
2,700 - 8,000	Fresh Water; Mud Wt - 8.6, Viscosity 28 Sec
8,000 - 9,200	Fresh Water Gel; Mud Wt - 8.8 - 9.2, Viscosity 30-34

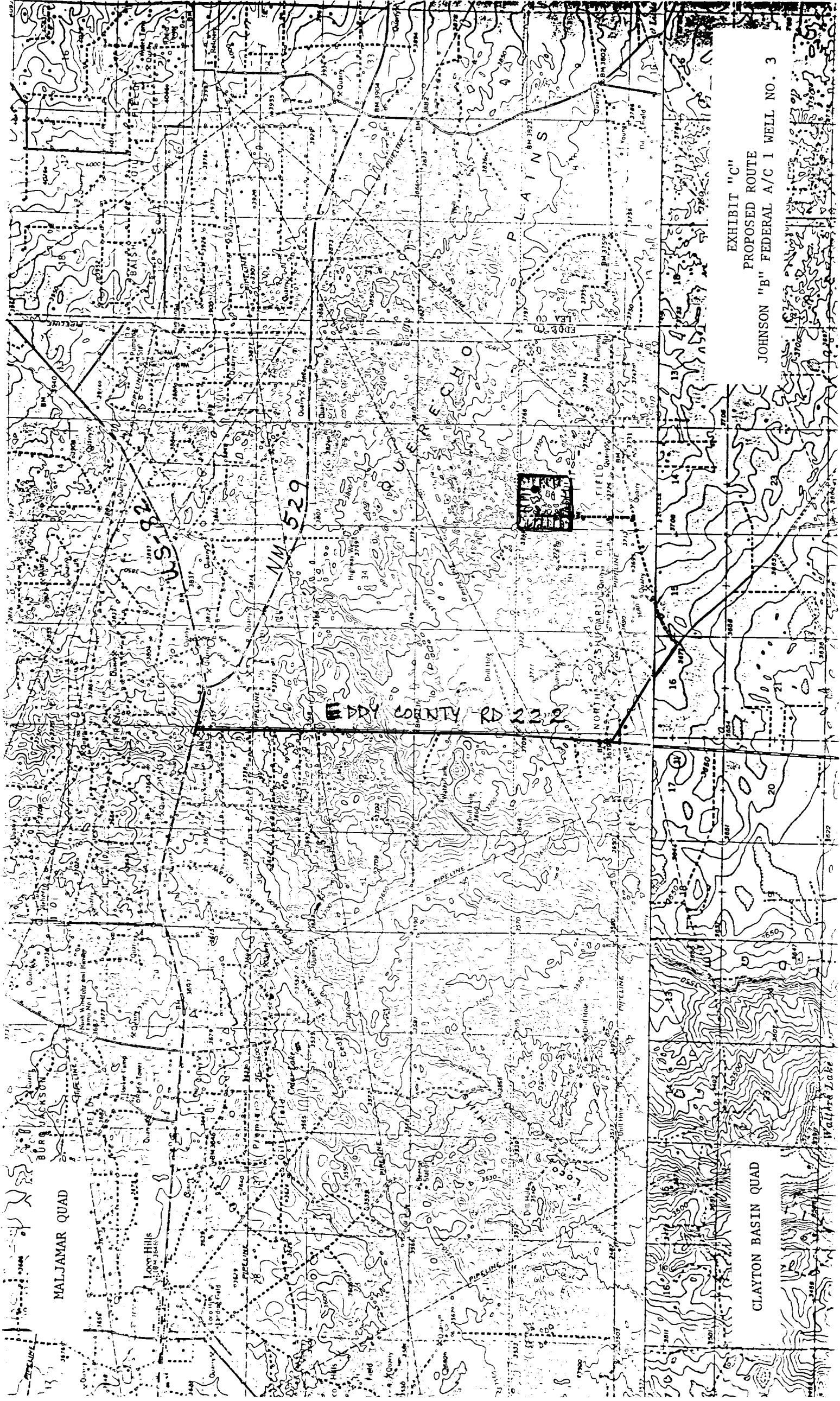


EXHIBIT "C"
PROPOSED ROUTE
JOHNSON "B" FEDERAL A/C 1 WELL NO. 3

CLAYTON BASIN QUAD

MALJAMAR QUAD

EDDY COUNTY RD 22.2

NM 529

US-82

SUN

BURG JACKSON

Long Hills

Walker Lake

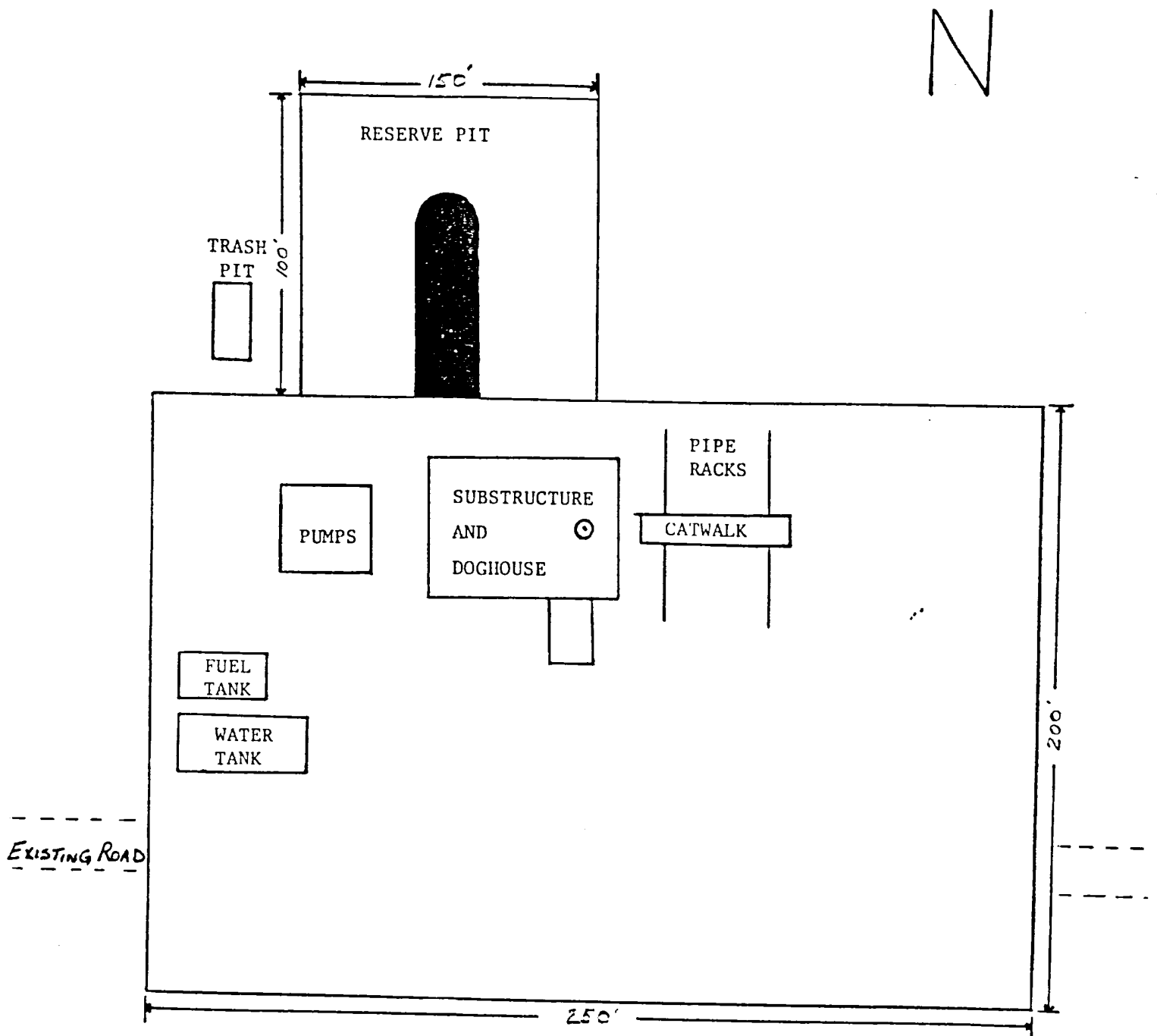


EXHIBIT "F"

WELLSITE LAYOUT

JOHNSON "B" FEDERAL A/C 1 WELL NO. 3