

N. M. O^{il} Cons. Division
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN **PLICATE***
(Other **ions on**
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO. NM-0384628
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME South Dagger Draw
8. FARM OR LEASE NAME, WELL NO. Federal IBA Gas Com 2 6390
9. API WELL NO. 31-115-30041
10. FIELD AND POOL, OR WILDCAT South Dagger Draw (Morrow, Upper Penn)
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 15. T-21-S.R-23-E
12. COUNTY OR PARISH Eddy
13. STATE NM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		
2. NAME OF OPERATOR Marathon Oil Company 14021		
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 1980' FSL & 660' FEL At proposed prod. zone 1980' FSL & 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 drlg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE 640	17. NO. OF ACRES ASSIGNED TO THIS WELL 320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3439'	19. PROPOSED DEPTH 9600'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3812' KB		22. APPROX. DATE WORK WILL START* 2/15/98

ROSWELL CONTROLLED WATER BASIN

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	K-55, 9 5/8"	36#	1200'	800 CIRCULATE WITNES
8 3/4"	L-80, K-55, 7"	26# & 23#	9600'	945

See attached for details.

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 *Walter J. Quisenberry* TITLE Drilling Supt. DATE 11/21/97
(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 ORIG. SGD. J. TONY L. PERGUSION TITLE ADM. MINERALS DATE 1-1-98

*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.

DISTRICT I

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

State of New Mexico

Energy, Minerals and Natural Resources Dept.

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 88, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	15475	Indian Basin (Morrow)
Property Code	Property Name	Well Number
	FEDERAL IBA GAS COM.	2
OGRID No.	Operator Name	Elevation
14021	MARATHON OIL COMPANY	3812

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	15	21 S	23 E		1980	SOUTH	660	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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
320									

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>D.P. Nordt</i> Signature D.P. Nordt Printed Name Drilling Supt. Title 11/21/97 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 belief. OCTOBER 13, 1997 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> R.O. Num 97-15-97 12641
	Certificate No. RONALD J. EIDSON, 3239 PROFESSIONAL SURVEYOR, 12641

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

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0719

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OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 15475	Pool Name South Dagger Draw (Upper Penn)
Property Code	Property Name FEDERAL IBA GAS COM.	Well Number 2
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3812

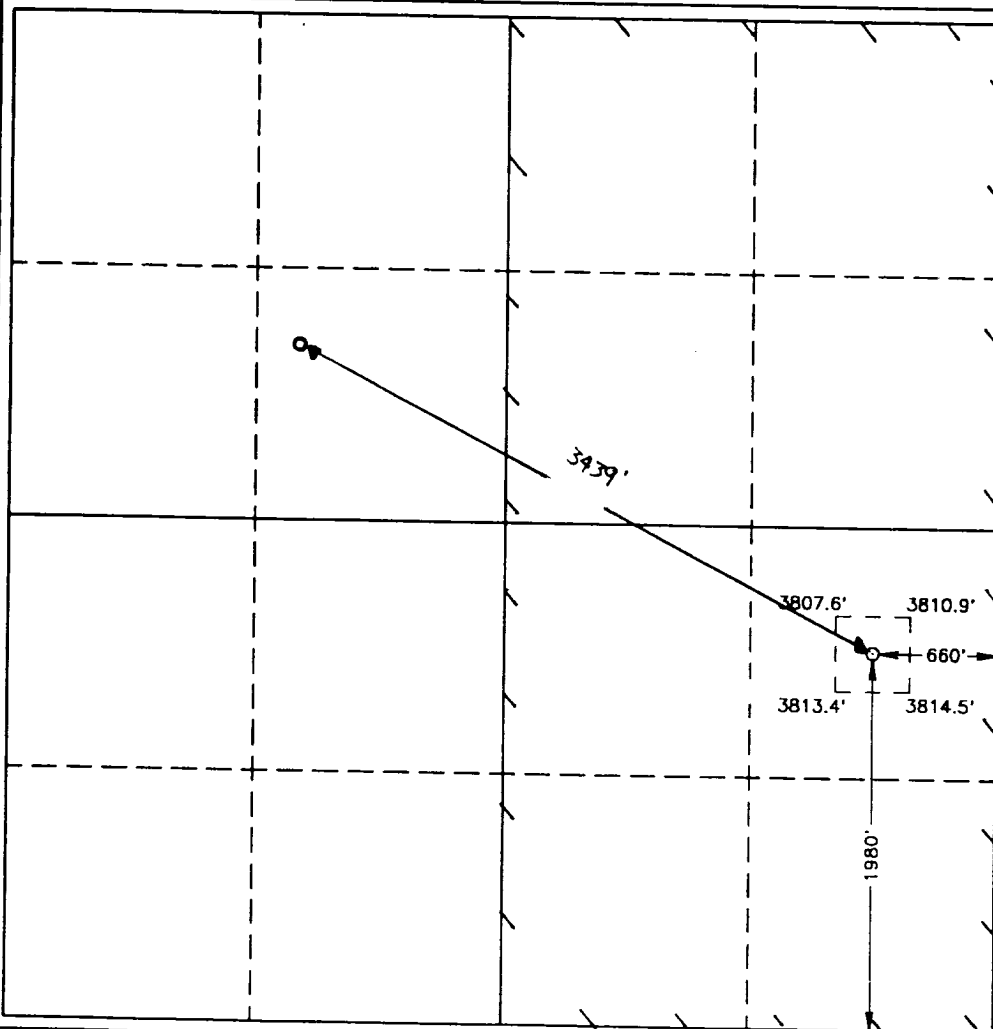

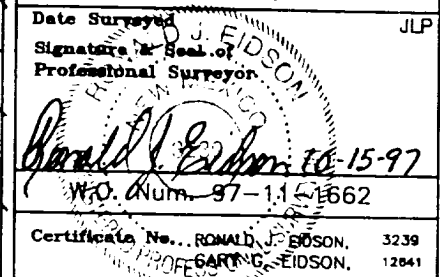
Surface Location

UL or Lot No. 1	Section 15	Township 21 S	Range 23 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
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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
Dedicated Acres 320 E/2	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION <i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature D.P. Nordt Printed Name Drilling Supt. Title 11/21/97 Date
	SURVEYOR CERTIFICATION <i>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.</i> OCTOBER 13, 1997 Date Surveyed Signature & Seal of Professional Surveyor  W.O. Num. 97-115662 Certificate No. RONALD J. EIDSON, 3239 GARY C. EIDSON, 12641

2. WELL CONTROL SYSTEMS

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

- a. pipe rams to accomodate all pipe sizes
- b. blind rams
- c. choke manifold
- d. closing unit

Auxillary equipment added as appropriate includes:

- a. annular preventor _____
- b. rotating head _____
- c. mud- gas separator _____
- d. flare line and means of ignition _____
- e. remote operated choke _____

B. Communication

The rig contractor will be required to have two-way communication capability. Marathon Oil Company will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

D. Drill Stem Test intervals are as follows:

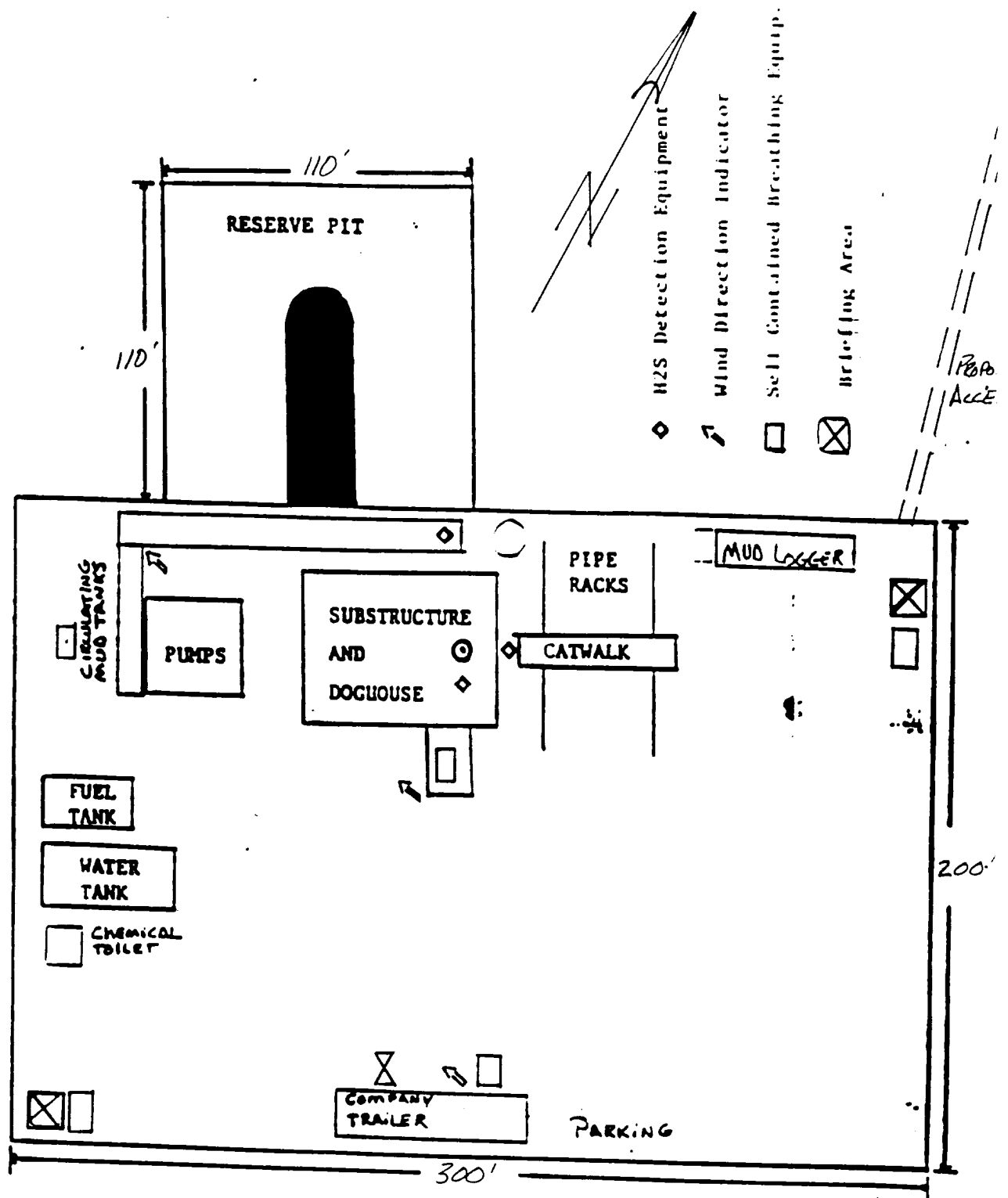
DST No. 1	_____ ft. to _____ ft.
DST No. 2	_____ ft. to _____ ft.
DST No. 3	_____ ft. to _____ ft.

Drill Stem Testing Safety Rules are attached.

III. WELL SITE DIAGRAM

A complete well site diagram including the following information is attached.

- 1. Rig orientation
- 2. Terrain
- 3. Briefing areas
- 4. Ingress and egress
- 5. Pits and flare lines
- 6. Caution and danger signs
- 7. Wind indicators and prevailing wind direction



Prevailing Wind Direction
Southwest

Foot-path for emergency
egress