

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☐DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Hydrocarbon Exploration Inc.

3. ADDRESS OF OPERATOR

620 Commercial Bank Tower Midland, Texas 79701

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

At surface

1650' FNL 1650' FWL Sec. 22

At proposed prod. zone

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

11 Miles South Whites City

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)

1650'

16. NO. OF ACRES IN LEASE

1,720

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

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

19. PROPOSED DEPTH

12,500 *Dev.*

20. ROTARY OR CABLE TOOLS

Rotary

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

3,625 GR (Estimated - To be corrected later)

22. APPROX. DATE WORK WILL START*

June 15, 1973

23.

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	400	350 Sx
12-1/4	9-5/8	36-40	4800	750 Sx

It is proposed to drill a 17-1/2 inch hole to approximately 400 feet. At which time 13-3/8 casing will be run and cement circulated to surface. After WOC, a minimum of 18 hours, the casing will be tested to 1000 PSI. If test ok, will drill a 12-1/4 inch hole to approximately 4800 or 100 feet into the Bone Springs Lime. At which time 9-5/8 inch casing will be run and cemented back to surface. After WOC a minimum of 24 hours, casing will be tested to 1000 PSI, Hydril to 1500 PSI, and BOP, choke manifold and all related equipment to 3000 PSI. If test ok, will drill an 8-3/4 inch hole to T.D. Production casing will be determined at T.D. A 13"-3000 PSI Hydril will be used from surface to 9-5/8 casing point. A 20"-5000 PSI Hydril, double BOP, choke manifold, and related equipment will be used from 9-5/8 casing point to T.D.

See attached Mud Program.

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

Ronnie Souders

TITLE

Treasurer

DATE

June 1, 1973

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

DISTRICT ENGINEER

DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY

TITLE

THIS APPROVAL IS VALID
ARE NOT COMMENCED WITHIN
9-6-73

*See Instructions On Reverse Side

N. MEXICO OIL CONSERVATION COMMISS.
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.

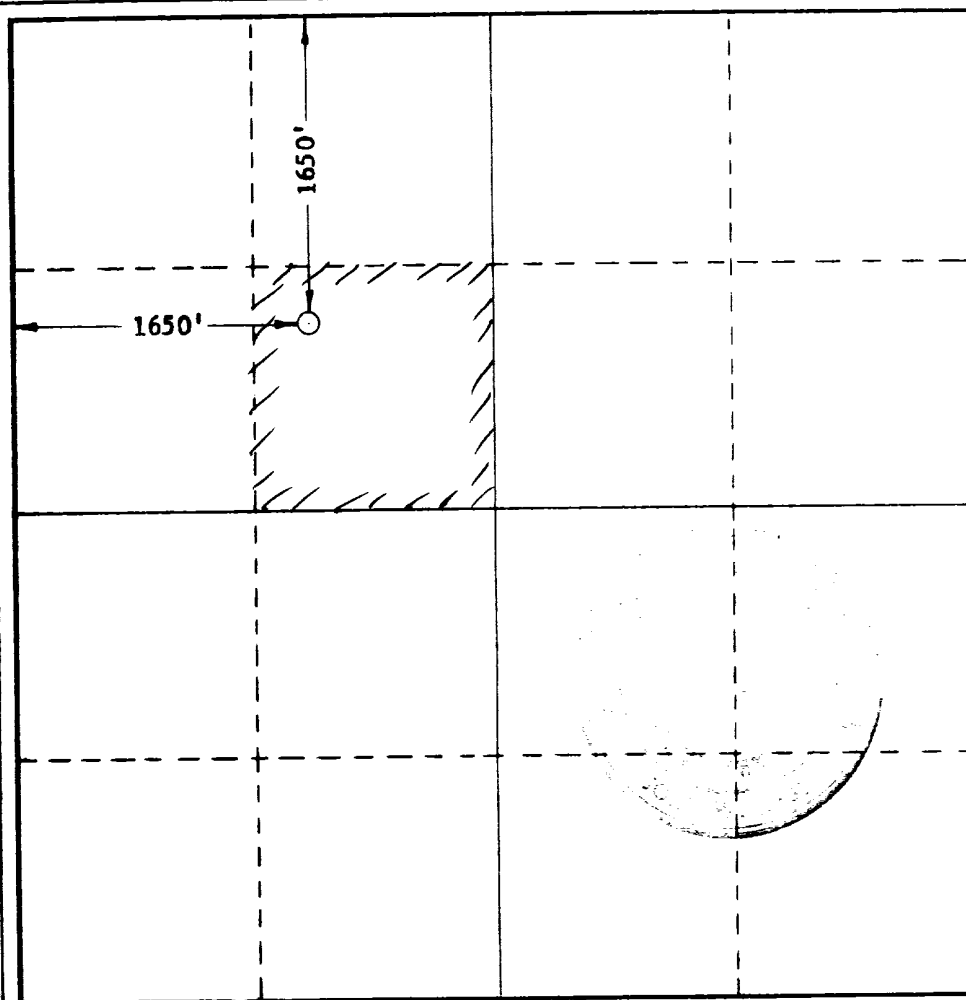
Operator HYDROCARBON EXPLORATION INC			Lease MARATHON FEDERAL		Well No. 1
Unit Letter F	Section 22	Township 26 SOUTH	Range 25 EAST	County EDDY	
Actual Footage Location of Well: 1650 feet from the NORTH line and 1650 feet from the WEST line					
Ground Level Elev. 3625[±]	Producing Formation Dex.	Pool Wildcat	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

Bruce E Monroe

Name

Agent

Position

HYDROCARBON EXPLORATION INC

Company

May 29, 1973

Date

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

MAY 15, 1973

Registered Professional Engineer
and/or Land Surveyor

John W West

Certificate No.

676

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

HYDROCARBON EXPLORATION, INC.

620 COMMERCIAL BANK TOWER
MIDLAND, TEXAS 79701

915 682-5267

Referenced to Form 9-3310

Mud Program: At the depth of 7500 feet, Contractor will commence converting the existing drilling fluid system to a system composed of Magcogel, Bennex, Sipan, and Soda ash. This system is to be completed when a depth of 7700 is reached and maintained from 7700 to total depth, with the following required characteristics:

Weight	8.6 to 9.0 lbs. per gallon, or consistent with preventing excessive gas cutting of the system.
Viscosity	36 or more seconds per thousand cc's.
Water Loss	6.0 cc or less.

RECEIVED

JUN 1 1973

OFFICE OF THE
MANAGER

HYDROCARBON EXPLORATION, INC. RECEIVED

620 COMMERCIAL BANK TOWER
MIDLAND, TEXAS 79701

JUN 5 1973

May 31, 1973

O. C. C.
ARTESIA, OFFICE

915 682-5267

Bill

State of New Mexico
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87901

Re: Hydrocarbon Exploration, Inc.
"Marathon Federal #1"
Sec. 22, T-26-S, R-25-E
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of the "Designation of Operator"
concerning the above referenced well.

If we can be of further service, please advise.

Very truly yours,

HYDROCARBON EXPLORATION, INC.

Ronnie Sowders

Ronnie Sowders
Treasurer

RS/am
enclosure

cc: Marathon Oil Company
P.O. Box 552
Midland, Texas 79701
Attention: Charles Southard

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Santa Fe, New Mexico
SERIAL NO.: B-0906348-A

and hereby designates

Hydrocarbon Exploration, Inc.
NAME: 400 Commercial Bank Tower
ADDRESS: Midland, Texas 79701

its as its operator and local agent, with full authority to act in its behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Section 28, Township 26 South, Range 25 East
Eddy County, New Mexico, containing 640 acres
of land, more or less.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

MARATHON OIL COMPANY

By: W. L. Parker

(Signature of lessee)

W. L. Parker, Division Manager
P. O. Box 3122
Houston, Texas 77001

(Address)

May 17, 1973

(Date)