

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-26-13
5. LEASE DESIGNATION AND SERIAL NO.
SF-078092
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
Douthit Federal 26
9. WELL NO.
26-1
10. FIELD AND POOL, OR WILDCAT
Basin Fruitland
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 26, T-27-N, R-11-W
12. COUNTY OR PARISH 13. STATE
San Juan NM

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
Marathon Oil Company

3. ADDRESS OF OPERATOR
P. O. Box 552, Midland, TX 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
1000' FNL & 2100' FEL
At proposed prod. zone
1000' FNL & 2100' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
12 miles south of Bloomfield, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1000'

16. NO. OF ACRES IN LEASE
2560

17. NO. OF ACRES ASSIGNED TO THIS WELL
320 1/2

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3413' *

19. PROPOSED DEPTH
2125'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) This location is subject to technical and procedural review pursuant to 43 CFR 3165.3 and 43 CFR 3165.4
6436'-GL

22. APPROX. DATE WORK WILL START*
Dec. 1, 1990

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT EQUIPMENTS ATTACHED
12-1/4"	8-5/8"	24#	350'	325 sx - circ to surface
7-7/8"	5-1/2"	15.5#	2125'	400 sx - circ to surface

Propose to drill to TD of ± 2125'.
All casing will be run and cemented in accordance with regulations and by approved methods.
Blowout prevention equipment will be applied as outlined in Additional Information.
See attached Multipoint Surface Use Plan and Additional Information for specific drilling operations.

* Distance to proposed well #26-2

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 [Signature] TITLE Drilling Superintendent DATE 10-2-90

(This space for Federal or State office use)
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 10/11/90
CONDITIONS OF APPROVAL, IF ANY:

[Handwritten initials]

NMOOD

*See Instructions On Reverse Side

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARATHON OIL COMPANY		Lease DOUTHIT FEDERAL		Well No. 261
Unit Letter B	Section 26	Township 27 N	Range 11 W	County San Juan
Actual Footage Location of Well: 1000 feet from the North line and 2100 feet from the East line				
Ground level Elev. 6436	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> 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 interest, has been approved by the Division.</p>				

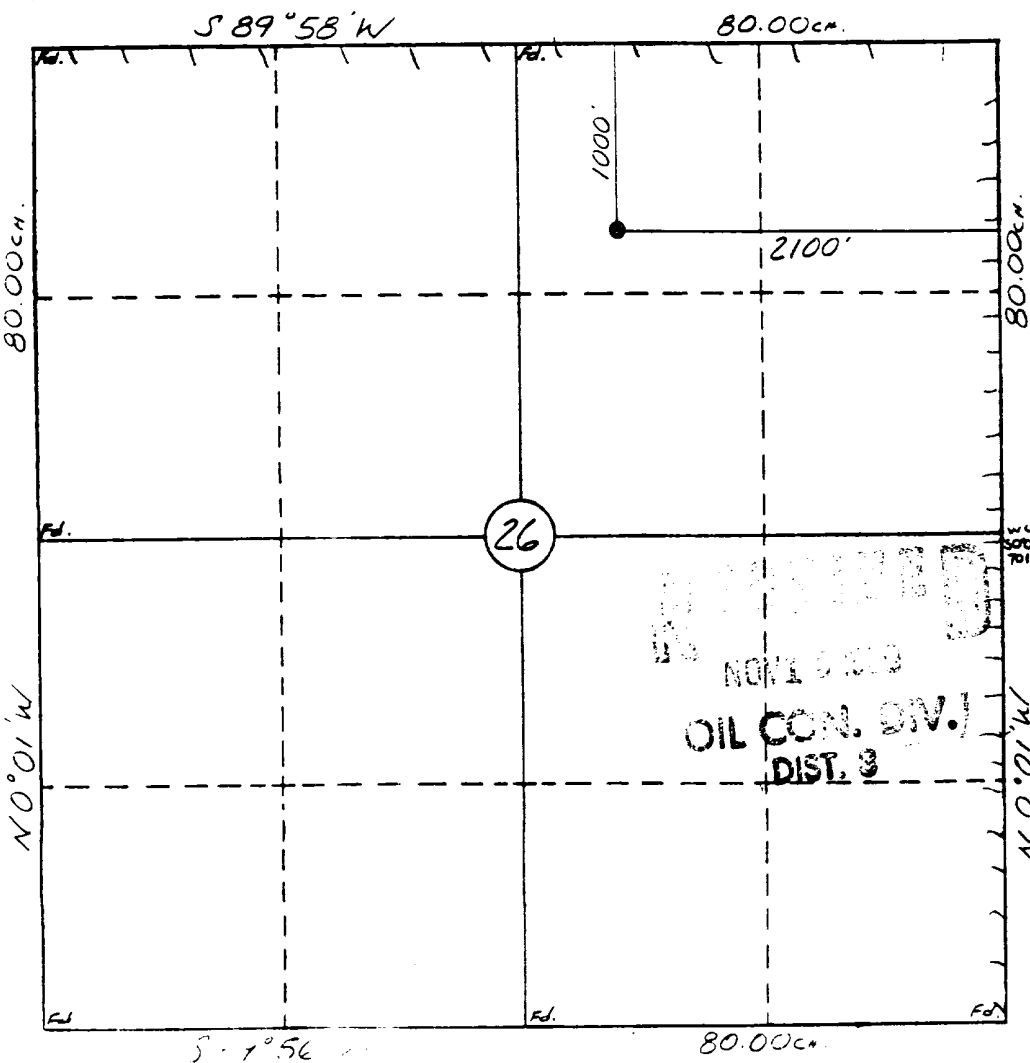
0 330 660 990 1320 1650 1980 2310 2640 2C: 1800 1090 1400 0

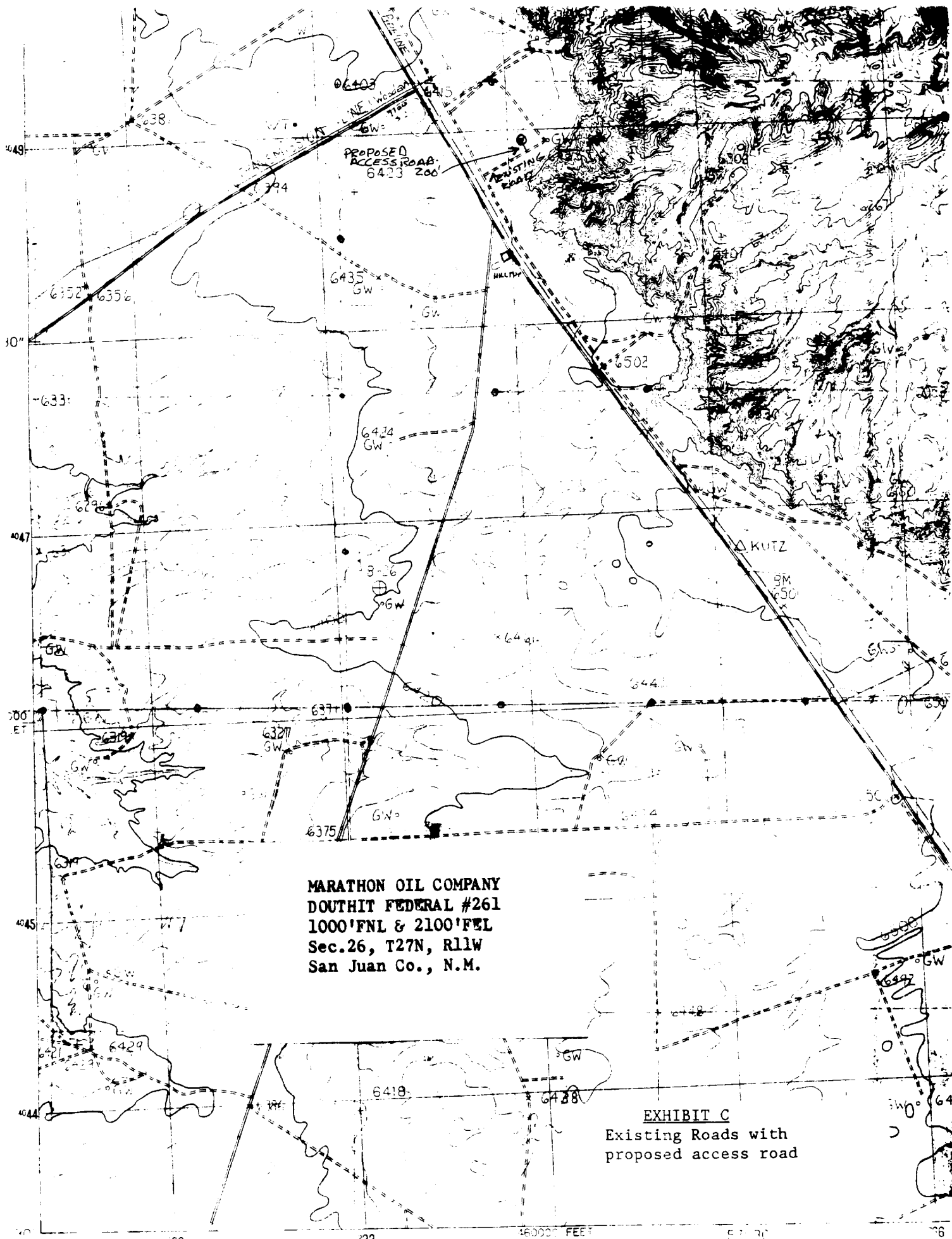
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *S. L. Atnipp*
 Printed Name: **S. L. Atnipp**
 Position: **Drilling Superintendent**
 Company: **Marathon Oil Company**
 Date: **10-2-90**

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: **9-18-90**
 Signature & Seal of Professional Surveyor: **William E. Matzke II**
 Certificate No. **8466**
 REGISTERED PROFESSIONAL LAND SURVEYOR
 NEW MEXICO
 #8466





**MARATHON OIL COMPANY
 DOUTHIT FEDERAL #261
 1000'FNL & 2100'FEL
 Sec.26, T27N, R11W
 San Juan Co., N.M.**

EXHIBIT C
 Existing Roads with
 proposed access road