

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|-------------------------------|-------------------------------|
| 1. Operator Name and Address MARATHON OIL CO PO Box 552 Midland, TX 79701 | | 2. OGRID Number 14021 |
| | | 3. API Number 30-025-37531 |
| 4. Property Code 6442 | 5. Property Name J L MUNCY | 6. Well No. 019 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I | 24 | 22S | 37E | I | 1680 | S | 660 | E | LEA |

8. Pool Information

| | |
|--|------------|
| Wildcat, San Andres LANGLEIE MATTIX;7 RVRS-Q-GRAYBURG | 0 37240 |
|--|------------|

Additional Well Information

| | | | | |
|--|----------------------------|--|---------------------------|---|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3323 |
| 14. Multiple Y | 15. Proposed Depth 5000 | 16. Formation San Andres | 17. Contractor | 18. Spud Date 11/10/2005 |
| Depth to Ground water 60 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water > 1000 |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 2000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

19. Proposed Casing and Cement Program

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 11 | 8.625 | 24 | 400 | 250 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 5000 | 1100 | 0 |

Casing/Cement Program: Additional Comments

Surface cement - 250 sks. Class C w/2% CACL, 1.34 yield, 14.8 ppg. wt. Cement Production casing - lead - 800 sks., Interfill C, yield 2.52, 11.8 ppg. wt. Tail - 300 sks. Class H w/ Thirotropic & gilsonite, 1.31 yield, 14.2 ppg. wt.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000 | 3000 | |

| | | |
|--|----------------------------------|---------------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | OIL CONSERVATION DIVISION | |
| Printed Name: Electronically filed by Charles Kendrix | Approved By: Paul Kautz | |
| Title: Engineering Technician | Title: Geologist | |
| Email Address: cekendrix@MarathonOil.com | Approved Date: 10/31/2005 | Expiration Date: 10/31/2006 |
| Date: 10/31/2005 | Phone: 713-296-2096 | Conditions of Approval Attached |

DISTRICT I
1625 N. FRANK DR., BOBBS, NM 86240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 E. GRAND AVENUE, ARTESIA, NM 86210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | | | |
|---------------|----------------------|----------------------------------|-------------|--|
| API Number | | Pool Code | Pool Name | |
| 37240 | | LANG. MATIX 7 RIVERS Q. GRAYBARG | | |
| Property Code | Property Name | | Well Number | |
| 6442 | J. L. MUNCY | | 19 | |
| OGARD No. | Operator Name | | Elevation | |
| 14021 | MARATHON OIL COMPANY | | 3323' | |

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 | 24 | 22-S | 37-E | | 1680 | SOUTH | 660 | EAST | LEA |

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. | | | | | | |

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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <u>Frank M. Krueh</u></p> <p>Printed Name <u>FRANK M. KRUEH</u></p> <p><u>Reg. Geop. Rep. III</u></p> <p>Date <u>10/31/05</u></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>Date Surveyed <u>OCTOBER 20, 2005</u></p> <p>Signature & Seal of <u>Ronald J. Gibson</u> Professional Surveyor</p> <p>LA</p> <p>Certificate No. <u>RONALD J. GIBSON 3239</u></p> | | | | | | | | | |
| <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=502177.7 N X=877750.7 E</p> <p>LAT.=32°22'28.79" N LONG.=103°06'35.28" W</p> <p>#2</p> <p>#6</p> <p>1680'</p> <p>660'</p> | | | | | | | | | | | | | | | | | | | |

Permit Comments

Operator: MARATHON OIL CO , 14021

Well: J L MUNCY #019

API: 30-025-37531

| Created By | Comment | Comment Date |
|------------|--|--------------|
| DMULL | Intent to drill Wildcat San Andres & Langlie Mattix SR-QN-GB, but CANNOT produce Downhole Commingled until OCD Santa Fe office approves. | 10/31/2005 |
| DMULL | Downhole commingle approval must come for OCD Santa Fe. | 10/31/2005 |

Permit Conditions of Approval

Operator: MARATHON OIL CO , 14021

Well: J L MUNCY #019

API: 30-025-37531

| OCD Reviewer | Condition |
|--------------|--|
| pkautz | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| pkautz | prior to any pit construction notify Gary Wink at 505-393-6161 ext 114 |
| DMULL | Approval for drilling only. CANNOT produce Downhole commingled in Wildcat San Andres & Langlie Mattix SR-QN-GB. Need Downhole commingle approval from OCD Santa Fe office. |