<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico

Form C-101 Permit 17754

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

| 20101021101110 | THE PROPERTY OF THE WITT TO DRIED, RE LITTER, DELIER, THE OBJECK, OR ADD IN BOTH | | | | | | |
|------------------|--|---------------|--|--|--|--|--|
| | 2. OGRID Number | | | | | | |
| | 14021 | | | | | | |
| | PO Box 552 Midland , TX 79701 | 3. API Number | | | | | |
| | Iviniani, 12 /9/01 | | | | | | |
| 4. Property Code | 5. Property Name | 6. Well No. | | | | | |
| 6454 | MARK OWEN | 011 | | | | | |
| | | | | | | | |

7. Surface Location

| 3 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | N | 35 | 21S | 37E | N | 810 | S | 1980 | W | LEA |

8. Pool Information

| EUNICE,SAN ANDRES | 24150 |
|-------------------------|-------|
| PENROSE SKELLY GRAYBURG | 50350 |

Additional Well Information

| 9. Work Type | 10. Well Type | | 11. Cable/Rotary | 12. Lease Type | 13. Ground Level Elevation |
|---|-----------------------------|------------|--------------------------|--|--|
| New Well | OIL | | | Private | 3369 |
| 14. Montriple | 15. Proposed Depth | | 16. Formation | 17. Contractor | 18. Spud Date |
| Y | 5000 | | San Andres | | 11/10/2005 |
| Depth to Ground | Depth to Ground water 60 | | | er well | Distance to nearest surface water > 1000 |
| Pit: Liner: Synthetic N Closed Loop System | _ | mils thick | Clay Pit Volume: 2000 bb | ls Drilling Method: Fresh Water ⊠ Brine □ I | Diesel/Oil-based Gas/Air |

19. Proposed Casing and Cement Program

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

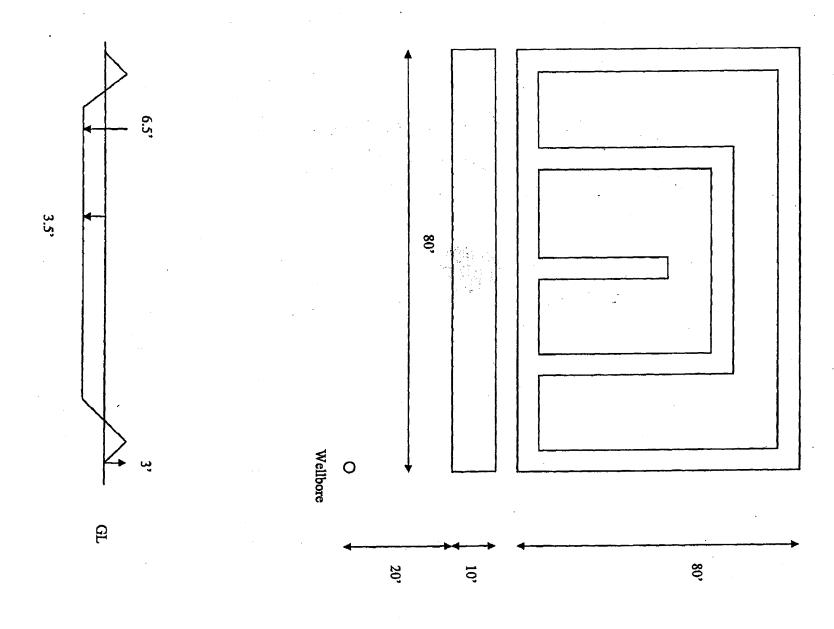
Casing/Cement Program: Additional Comments

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

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

| of my knowledge and belief. I further | en above is true and complete to the best certify that the drilling pit will be | OIL CONSERVATION DIVISION | | |
|--|--|------------------------------|-----------------------------|--|
| constructed according to NMOCD gu an (attached) alternative OCD-appro | | Approved By: Paul Kautz | | |
| Printed Name: Electronically file | d by Charles Kendrix | Title: Geologist | | |
| Title: Engineering Technician | | Approved Date: 10/31/2005 | Expiration Date: 10/31/2006 | |
| Email Address: cekendrix@Mara | athonOil.com | 1000000 | \$100 KG | |
| Date: 10/31/2005 | Phone: 713-296-2096 | Conditions of Approval Attac | hed | |



State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

Revised JUNE 10, 2003 Submit to Appropriate District Office

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

State Lease - 4 Copies Fee Lease - 3 Copies

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT III

DISTRICT IV

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| API Number | 24150 | | | |
|--------------------|-------|------------------------------|-----------------|--|
| Property Code 6454 | | Property Name ARK OWEN | Well Number | |
| OGRID No. 14021 | | Operator Name ON OIL COMPANY | Elevation 3369' | |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|--|
| N | 35 | 21-S | 37-E | | 810 | SOUTH | 1980 | WEST | 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 Acre | s Joint o | r Infill Co | nsolidation | Code Or | der No. | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

| OR A NON-STANDARD UNIT HAS BEEN APPROVED BY TH | E DIVISION |
|--|--|
| | OPERATOR CERTIFICATION |
| | I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. |
| | FRANK M KRUGH Printed Name |
| | Printed Name Rep. TIL Title 10/31/05 Date |
| | SURVEYOR CERTIFICATION |
| GEODETIC COORDINATES NAD 27 NME | 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 |
| Y=522302.6 N X=869611.7 E | supervison, and that the same is true and correct to the best of my belief. |
| LAT. = 32°25'48.81" N LONG. = 103°08'07.54" W | OCTOBER 20, 2005 Date Surveyed LA Signature Spall |
| 1980' | Professional Surveyor 10/25/05 |
| 3 -018 | Certificate No. RONALD FEDSON 3239 |

State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102 Revised JUNE 10, 2003

Submit to Appropriate District Office

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 68210 OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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 50 350 | PENROSE SKELLY; GR | Ay Burb |
| Property Code 6454 | Pro | perty Name RK OWEN | Well Number 11 |
| OGRID No. 1 4021 | | rator Name OIL COMPANY | Elevation 3369' |

Surface Location

| ı | UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | Ν | 35 | 21-S | 37-E | | 810 | SOUTH | 1980 | WEST | 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 o | r Infill Co | nsolidation (| Code Ore | der 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

| OR A NON-STANDARD ONLY THE BEEN IN THE SEE | |
|--|--|
| | OPERATOR CERTIFICATION |
| | I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. |
| | Frank M Kugh |
| | FRANK M KRUGH Printed Name Reg. Comp. Rep. III Titled |
| | Date SURVEYOR CERTIFICATION |
| GEODETIC COORDINATES NAD 27 NME | 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 |
| Y=522302.6 N X=869611.7 E | supervison and that the same is true and correct to the best of my belief. |
| LAT.=32°25'48.81" N LONG.=103°08'07.54" W | OCTOBER 20, 2005 Date Surveyed LA Signature & Seat of / O |
| 1980' | Vinally Cosulper 40/25/05 |
| | Certificate No. RONALD I ELESON 3239 |

Permit Comments

Operator: MARATHON OIL CO , 14021 Well: MARK OWEN #011 API: 30-025-37534

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| DMULL | Intent in Eunice San Andres and Penrose Skelly Grayburg, but CANNOT produce Downhole commingle without approval from Santa Fe OCD office. | 10/31/2005 |
| DMULL | OCD Santa Fe must approved Daenhole Commingle. | 10/31/2005 |

Permit Conditions of Approval

Operator: MARATHON OIL CO , 14021 Well: MARK OWEN #011

API: 30-025-37534

| 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 commingle in Eunice San Andres & Penrose Skelly Grayburg. Approval for Downhole commingle must be approved by OCD Santa Fe. |