

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 5555 SAN FELIPE ST HOUSTON , TX 77056 | | 2. OGRID Number 14021 |
| | | 3. API Number 30-025-37695 |
| 4. Property Code 6478 | 5. Property Name WILLIAM TURNER | 6. Well No. 009 |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot I | Section 29 | Township 21S | Range 37E | Lot Idn I | Feet From 2225 | N/S Line S | Feet From 330 | E/W Line E | County LEA |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|

8. Pool Information

| | |
|-------------------------|-------|
| PENROSE SKELLY,GRAYBURG | 50350 |
|-------------------------|-------|

Additional Well Information

| | | | | |
|---|----------------------------|--|---------------------------|---|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3463 |
| 14. Multiple N | 15. Proposed Depth 4300 | 16. Formation Grayburg | 17. Contractor | 18. Spud Date 3/20/2006 |
| 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 _____mils 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 | 280 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 4300 | 1100 | 0 |

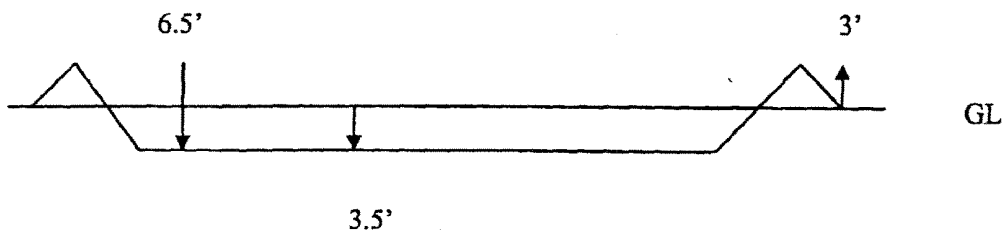
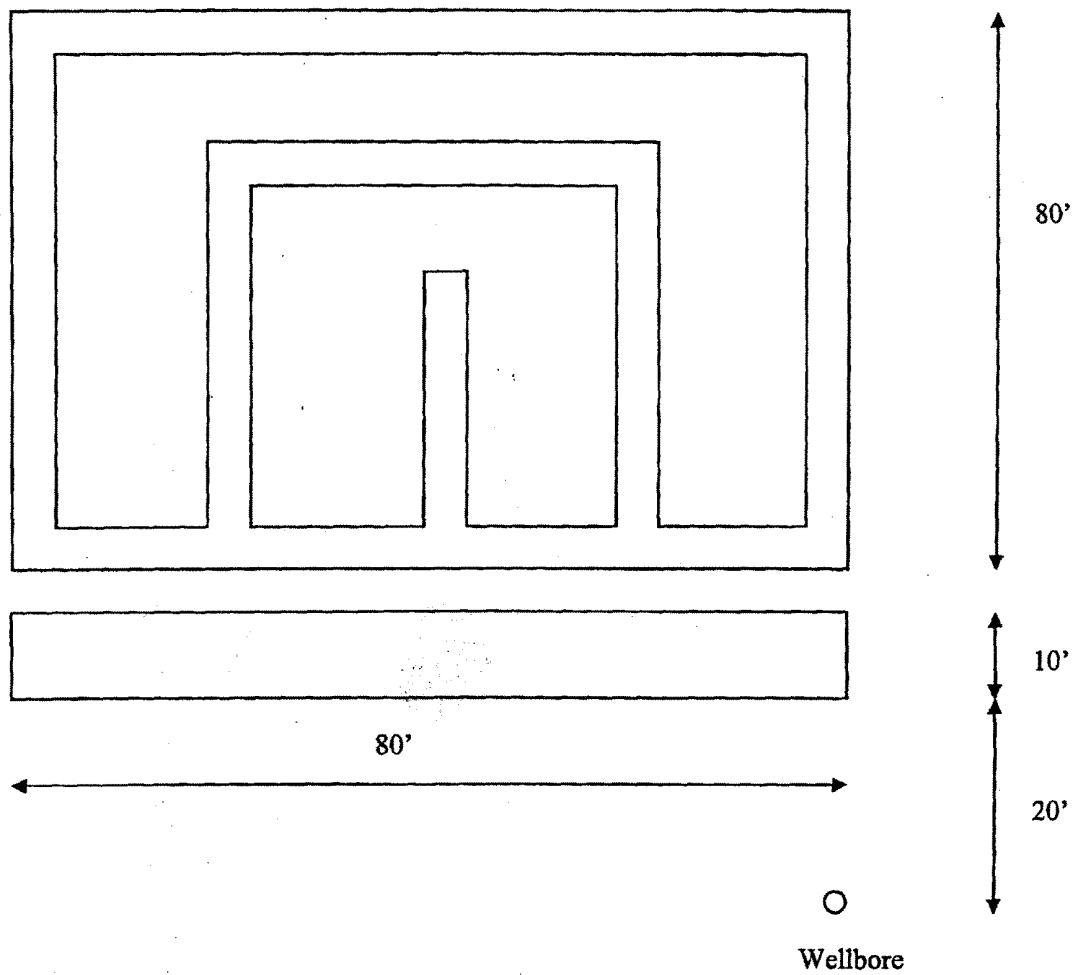
Casing/Cement Program: Additional Comments

Surface cement: 250 sacks Class C w/ 2% CACL, 1.34 yield, 14.8 ppg.wt. Production casing cement: Lead - 800 sacks, Interfil C, yield 2.52, 11.8 ppg.wt. Tail - 300 sacks Class H w/ Thiotropic & 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"/> . Printed Name: Electronically filed by Charles Kendrix Title: Engineering Technician Email Address: cekendrix@MarathonOil.com Date: 2/8/2006 Phone: 713-296-2096 | OIL CONSERVATION DIVISION | |
| | Approved By: Paul Kautz | |
| | Title: Geologist | |
| | Approved Date: 2/9/2006 | Expiration Date: 2/9/2007 |
| | Conditions of Approval Attached | |



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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

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

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

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | | |
|-----------------------|---------------------------------------|--------------------|--------------------------------------|
| API Number | | Pool Code 50350 | Pool Name PENROSE SKELLY GRAYBURG |
| Property Code 6478 | Property Name WILLIAM TURNER | | Well Number 9 |
| OGRID No. 14021 | Operator Name MARATHON OIL COMPANY | | Elevation 3463' |

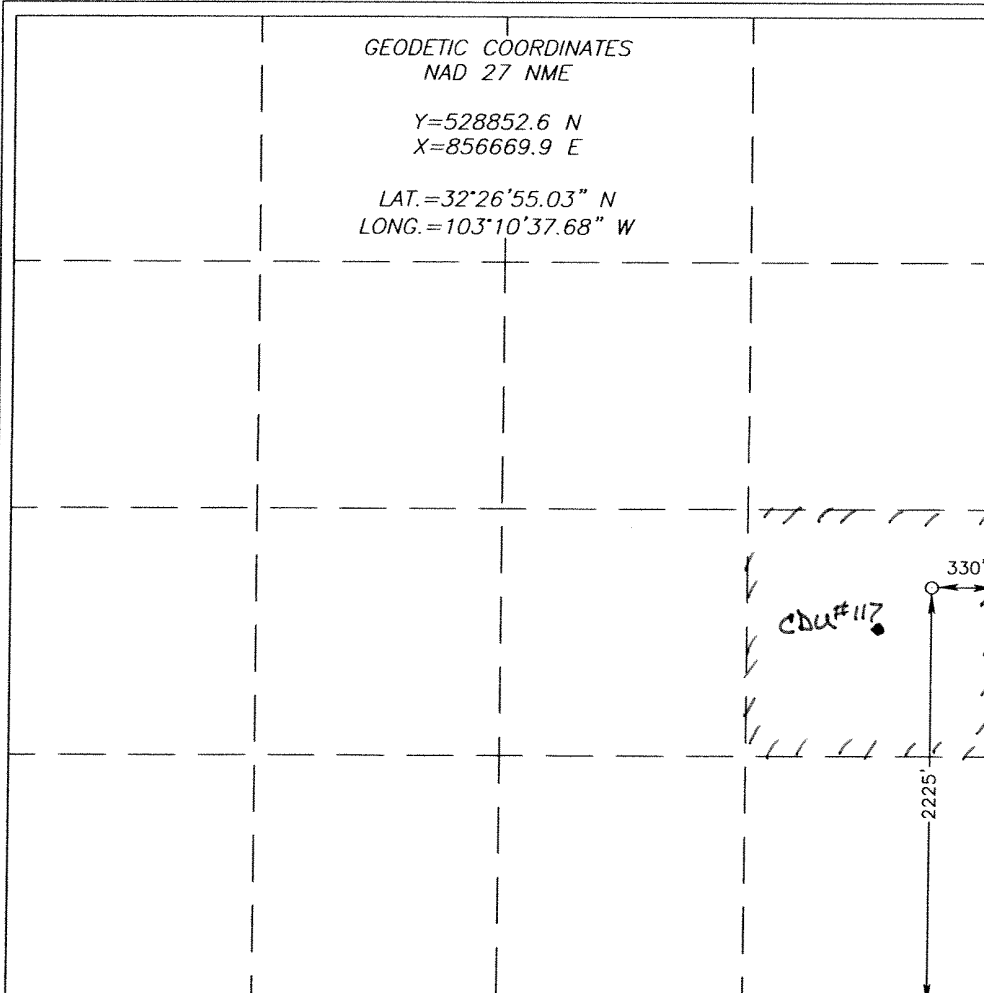
Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 1 | 29 | 21-S | 37-E | | 2225 | SOUTH | 330 | 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 40 | 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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=528852.6 N X=856669.9 E</p> <p>LAT.=32°26'55.03" N LONG.=103°10'37.68" W</p> | <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><i>Frank M. Krugh</i> Signature</p> <p>FRANK M. KRUGH Printed Name</p> <p>Reg. Comp. Rep. III Title</p> <p>2/8/06 Date</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>JANUARY 23, 2006</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Gary E. Edson</i> 06.11.0122</p> <p>Certificate No. GARY EIDSON 12641</p> |
| | | |
| | | |

Permit Conditions of Approval

Operator: MARATHON OIL CO , 14021

Well: WILLIAM TURNER #009

API: 30-025-37695

| 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 |