<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

UL - Lot

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

Section

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

Form C-101 August 1, 2011

Permit 250892

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

| APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE | | | | | | | | | | | |
|--|---------|----------|----|-------|---------|--------------|----------|-----------------|----------|--------|-----|
| 1. Operator Name and Address | | | | | | | 2. | 2. OGRID Number | | | |
| MARATHON OIL PERMIAN LLC | | | | | | | | 372098 | | | |
| 5555 San Felipe St. | | | | | | | 3. | API Number | | | |
| Houston, TX 77056 | | | | | | 30-025-44684 | 1 | | | | |
| 4. Property Code 5. Property Name | | | | | 6. | 6. Well No. | | | | | |
| 321179 FLOWMASTER FEE 24 34 15 TB | | | | | 010H | | | | | | |
| 7. Surface Location | | | | | | | | | | | |
| UL - Lot | Section | Township | | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County | |
| N | 15 | 24 | 4S | 34E | N | 589 | S | 1888 | B W | | Lea |
| | • | • | | | • | • | • | • | • | • | |

8. Proposed Bottom Hole Location

Feet From

330

N/S Line

Feet From

2317

E/W Line

W

County

Lea

Lot Idn

| | 9. Pool information | |
|------------------------------|---------------------|-------|
| RED HILLS;BONE SPRING, NORTH | | 96434 |

Additional Well Information

| Additional Well information | | | | | | |
|-----------------------------|--------------------|--|----------------|-----------------------------------|--|--|
| 11. Work Type | 12. Well Type | 13. Cable/Rotary | 14. Lease Type | 15. Ground Level Elevation | | |
| New Well | OIL | | Private | 3519 | | |
| 16. Multiple | 17. Proposed Depth | 18. Formation | 19. Contractor | 20. Spud Date | | |
| N | 16909 | Bone Spring | | 5/10/2018 | | |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water | | |
| | | | | | | |

☑ We will be using a closed-loop system in lieu of lined pits

Township

24S

Range

34E

21. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 1150 | 1022 | 0 |
| Int1 | 8.75 | 7 | 29 | 12000 | 1139 | 850 |
| Prod | 6.125 | 4.5 | 13.5 | 16909 | 600 | 11500 |

Casing/Cement Program: Additional Comments

| 22. Proposed Blowout Prevention Program |
|---|

| | 22.1 Toposed Biowodt Tevendon't Togram | | | | | | | |
|------|--|------------------|---------------|--------------|--|--|--|--|
| Туре | | Working Pressure | Test Pressure | Manufacturer | | | | |
| | Double Ram | 10000 | 5000 | Cameron | | | | |
| | Appular | 5000 | 2500 | Chaffer | | | | |

| knowledge and | belief. I have complied with 19.15.14.9 (A) | s true and complete to the best of my NMAC ⊠ and/or 19.15.14.9 (B) NMAC | | OIL CONSI | ERVATION DIVISION |
|---|---|--|-----------------|--------------|----------------------------|
| Printed Name: | Printed Name: Electronically filed by Melissa Szudera | | | Paul F Kautz | |
| Title: Regulatory Compliance Representative | | | Title: | Geologist | |
| Email Address: | mail Address: mszudera@marathonoil.com | | | 4/13/2018 | Expiration Date: 4/13/2020 |
| Date: | 4/11/2018 | Conditions of Apr | proval Attached | | |

| | | terces. |
|---|---|--|
| Parisi Anna America, Anna, Fer Wool Rang and American State (Control of the | State of New Mexico | |
| | Europy, Minosals & Natural Resources Depur | |
| | DEL CONSERVATION DEVESTON 1229 South St. Francis Dx. | Direie Office |
| March St. Co., Sciller See (March St. Co., Sciller) | Santa Fr, NM 87505 | □ opensorm |
| Desirit Care & Basedo Anado Walton Desiritation (No. 10) Ph. No. | January 7, 1604 8, 1603 | |
| haddenings-have | BLL LOCATION AND ACREAGE DESICATE | ONMAY |
| 148 Facility | | WORTH CRONG SPRINGS |
| Topico | | |
| | FLOWINGTER FEE 24-34-15 TB | TH Strate |
| 372295 | MANUFACE OF PERMAN LLC | 3519 |
| 372200 | | |
| N 15 T245 | R340 599 SOUTH 10 | 100 SEST LEX |
| | Feature Hole Location If Different Proce Section 1 (1974) Secti | face to book boltestel (see |
| C 15 T245 | STAFF SCH MINISTER ST | OLT WEST LEA |
| | suddens face Bulleto. | |
| 160.00 | | |
| No ethnologist be enimal to be | is completion until all interests have been constituted or a m | co-moded and har-been apparent by the |
| distan | | |
| | | *OPERATOR CENTIFICATION |
| | | |
| 1071017 | I seems seems | |
| WITHOUT A 102 A | A MERCH IN SECTION IN | |
| | E THEFE | a hardway order you complete probate to be particularly to their |
| 1 1 1 | S SETTER | Georgie Fin Conse 4100018 |
| | Marie And Miles | |
| | Diameter Statement | Josepha Van Curen |
| l i l | | Naumor |
| i i | | X127.00% |
| | | |
| | ~ 478 CBCRCR | SALEVENOR CERTIFICATION |
| 1 1 | MANAGEMENT | |
| 1 1 | ENGINE / SERVICE | |
| | Sales on Holes | and commands from the fall of MARCH (S), 2015 |
| и- | - 12 Part 1997 | G0000 |
| - 107 | THE THE | Total State of the |
| SECTION 18 | | |
| METER O | B STORY STORY OF STREET | 2110000000 |
| 277.0 | THE STREET | The state of the s |
| 1:5300 | | CHICAGO LIVE A SECTION |
| 1.5850 | 1 1000 H | |
| | HEAT THE RE | 3 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Form APD Comments

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

Permit 250892

PERMIT COMMENTS

| Operator Name and Address: | API Number: |
|-----------------------------------|----------------------------------|
| MARATHON OIL PERMIAN LLC [372098] | 30-025-44684 |
| 5555 San Felipe St. | Well: |
| Houston, TX 77056 | FLOWMASTER FEE 24 34 15 TB #010H |

| Created By | Comment | Comment Date |
|--------------|--|--------------|
| acovarrubias | FTP - 330' FSL & 2315' FWL; 32.21119127, -103.45889528 | 4/10/2018 |
| acovarrubias | GCP, C-102, and Directional will be sent via email. | 4/10/2018 |

Form APD Conditions

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

Permit 250892

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: |
|-----------------------------------|----------------------------------|
| MARATHON OIL PERMIAN LLC [372098] | 30-025-44684 |
| 5555 San Felipe St. | Well: |
| Houston, TX 77056 | FLOWMASTER FEE 24 34 15 TB #010H |

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Will require a administrative order for non-standard location prior to placing the well on production. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface 2) PRODUCTION CASING - Cement must tie back into intermediate casing |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | 1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104 |
| pkautz | It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. |