

District I  
1625 N. French Dr., Hobbs, NM 88240  
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

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-101  
May 27, 2004

RECEIVED

Submit to appropriate District Office

Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

MAY 03 2005

000-ARTESIA

☐ AMENDED REPORT

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

|   |  |  |
|---|--|--|
| <sup>1</sup> Operator Name and Address<br><b>Marathon Oil Company</b><br><b>P.O. Box 3487 Houston Tx. 77056</b> |  | <sup>2</sup> OGRID Number<br><b>14021</b>      |
| <sup>4</sup> Property Code<br><b>22575</b>  | <sup>5</sup> Property Name<br><b>INDIAN BASIN "32" STATE</b> | <sup>3</sup> API Number<br><b>30-015-34102</b> |
| <sup>9</sup> Proposed Pool 1<br><b>Indian Basin U.P. Assoc.</b>   |  | <sup>6</sup> Well No.<br><b>#9</b>             |
| <sup>10</sup> Proposed Pool 2   |  |  |

<sup>7</sup> Surface Location

| UL or lot no. | Section   | Township    | Range       | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County      |
|---------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|-------------|
| <b>J</b>      | <b>32</b> | <b>21-S</b> | <b>24-E</b> | <b>J</b> | <b>1958'</b>  | <b>South</b>     | <b>1652'</b>  | <b>East</b>    | <b>EDDY</b> |

<sup>8</sup> Proposed 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      |
|---------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|-------------|
| <b>N</b>      | <b>32</b> | <b>21-S</b> | <b>24-E</b> |          | <b>900'</b>   | <b>South</b>     | <b>2150'</b>  | <b>West</b>    | <b>EDDY</b> |

Additional Well Location

|  |  |   |   |  |
|--|--|---|---|--|
| <sup>11</sup> Work Type Code<br><b>N</b>   | <sup>12</sup> Well Type Code<br><b>G</b>     | <sup>13</sup> Cable/Rotary<br><b>ROTARY</b> | <sup>14</sup> Lease Type Code<br><b>S</b> | <sup>15</sup> Ground Level Elevation<br><b>4220'</b> |
| <sup>16</sup> Multiple<br><b>NO</b>  | <sup>17</sup> Proposed Depth<br><b>8600'</b> | <sup>18</sup> Formation<br><b>U. PENN</b>   | <sup>19</sup> Contractor<br><b>McVAY</b>  | <sup>20</sup> Spud Date<br><b>ASAP</b>               |
| Depth to ground water  |  | Distance from nearest fresh water well      |   | Distance from nearest surface water                  |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> <b>12</b> mils thick Clay <input type="checkbox"/> Pit Volume <b>2,500</b> 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 checked="" type="checkbox"/> |  |   |   |  |

<sup>21</sup> Proposed Casing and Cement Program

| Hole Size     | Casing Size   | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC  |
|---------------|---------------|--------------------|---------------|-----------------|----------------|
| <b>12.250</b> | <b>9-5/8"</b> | <b>36#</b>         | <b>1800'</b>  | <b>630</b>      | <b>SURFACE</b> |
| <b>8.750"</b> | <b>7"</b>     | <b>23#/26#</b>     | <b>8600'</b>  | <b>1280</b>     | <b>SURFACE</b> |
|               |               |                    |               |                 |                |
|               |               |                    |               |                 |                |
|               |               |                    |               |                 |                |

NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE CASING

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present p:  
Describe the blowout prevention program, if any. Use additional sheets if necessary.

Marathon Oil Company is proposing to drill a directional Upper Penn. well to a Non- Standard BHL target. SEL is on Federal land in Section 32.

BOPE: 11" 3M DUAL RAM, ANNULAR & ROTATING HEAD.

ALL BOPE SHALL BE INSTALLED AND TESTED ACCORDING TO OCD RULES #109 & #114.

ALL CASING SHALL BE RUN AND CEMENTED IN ACCORDANCE WITH OCD RULE #107.

<sup>23</sup> 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 ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐ Signature: *m7m wk*

Printed name: **Mike Mick**

Title: **Adv. Sr. Engineer Tech.**

E-mail Address: **mfmick@marathonoil.com**

Date: **5-02-05**

Phone: **713-296-3254**

*W* OIL CONSERVATION DIVISION

Approved by:

**TIM W. GUM**  
**DISTRICT II SUPERVISOR**

Approval Date: **MAY 09 2005**

Expiration Date: **MAY 09 2006**

Conditions of Approval:

Attached ☐

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004  
For drilling and production facilities, submit to  
appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe  
office

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MAY 03 2005

OOD-ARTESIA

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Marathon Oil Corporation Telephone: 713-296-3254 e-mail address: mfmick@marathonoil.com

Address: P.O. Box 3487 Houston Tx. 77253

Facility or well name: Indian Basin 32 State #9 API #: 30-015-3402 New Well ☒ U/L or Qtr/Qtr ☒ Sec 32 T 21-S R 24-E

County: EDDY Latitude: 32.2601.14N Longitude 104.3102.79W NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

|  |   |
|--|---|
| <b>Pit</b><br>Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/><br>Workover <input type="checkbox"/> Emergency <input type="checkbox"/><br>Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/><br>Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12mil Clay <input type="checkbox"/> Volume 2,500 bbl | <b>Below-grade tank</b><br>Volume: _____ bbl Type of fluid: _____<br>Construction material: _____<br>Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not.<br>_____ |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)   | Less than 50 feet (20 points)<br>50 feet or more, but less than 100 feet (10 points)<br>100 feet or more XXXX (0 points)  |
| Vellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)  | Yes (20 points)<br>No XXXXXXX (0 points)  |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)  | Less than 200 feet (20 points)<br>200 feet or more, but less than 1000 feet (10 points)<br>1000 feet or more XXXXXXX (0 points)   |
| Ranking Score (Total Points)   |   |

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☒ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 12-20-04

Printed Name/Title: MIKE MICK- ADV. SR. ENG. TECH

Signature: mfmick

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: MAY 3 2005

Date:

Printed Name/Title: Julio Lopez

Signature: [Signature]

DISTRICT I  
P.O. Box 1999, Hobbs, NM 88241-1999

DISTRICT II  
P.O. Drawer 88, Artesia, NM 88211-0718

DISTRICT III  
1000 Elia Branch Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-102  
Revised February 10, 1994  
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<br><b>33685</b>                     | Pool Name<br><b>INDIAN BASIN Upper Penrv. Assoc</b> |
| Property Code<br><b>22575</b> | Property Name<br><b>INDIAN BASIN 32 STATE</b> | Well Number<br><b>9</b>                             |
| OCRED No.<br><b>14021</b>     | Operator Name<br><b>MARATHON OIL COMPANY</b>  | Elevation<br><b>4220'</b>                           |

Surface Location

|                           |                      |                         |                      |         |                               |                                  |                               |                               |                       |
|---------------------------|----------------------|-------------------------|----------------------|---------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|-----------------------|
| UL or Lot No.<br><b>J</b> | Section<br><b>32</b> | Township<br><b>21-S</b> | Range<br><b>24-E</b> | Lot Idn | Feet from the<br><b>1958'</b> | North/South line<br><b>SOUTH</b> | Feet from the<br><b>1652'</b> | East/West line<br><b>EAST</b> | County<br><b>EDDY</b> |
|---------------------------|----------------------|-------------------------|----------------------|---------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|-----------------------|

Bottom Hole Location If Different From Surface

|                           |                      |                         |                      |         |                              |                                  |                               |                               |                       |
|---------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|-------------------------------|-------------------------------|-----------------------|
| UL or Lot No.<br><b>N</b> | Section<br><b>32</b> | Township<br><b>21-S</b> | Range<br><b>24-E</b> | Lot Idn | Feet from the<br><b>900'</b> | North/South line<br><b>SOUTH</b> | Feet from the<br><b>2150'</b> | East/West line<br><b>WEST</b> | County<br><b>EDDY</b> |
|---------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|-------------------------------|-------------------------------|-----------------------|

|                                   |                 |                    |           |
|-----------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br><b>320 W/2</b> | 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>IB-32 St.#4</p> <p>Standard Prod. Area</p> <p>GEODEIC COORDINATES<br/>NAD 27 NME<br/>Y = 521524.8 N<br/>X = 443197.7 E<br/>LAT. 32°26'01.14"N<br/>LONG. 104°51'02.79"W</p> <p>GRID AZ= 237°00'30"<br/>GRID DIST= 1926.0'</p> <p>IB-32 St.#1-Y</p> <p>BOTTOM HOLE<br/>Y = 520476 N<br/>X = 441562 E</p> <p>Surface Location</p> <p>1652'</p> <p>1958'</p> <p>Non-Standard Prod. Area</p> <p>900'</p> <p>2150'</p> | <p><b>OPERATOR CERTIFICATION</b></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>m7mick</i><br/>Signature<br/><b>Mike Mick</b><br/>Printed Name<br/><b>Adv. Sr. Eng. Tech</b><br/>Title<br/><b>5-2-05</b><br/>Date</p> <p><b>SURVEYOR CERTIFICATION</b></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>March 22, 2004</p> <p>Date Surveyed<br/>Signature &amp; Seal of Professional Surveyor<br/><i>GARY EIDSON</i><br/>NEW MEXICO<br/>04.11.03.15<br/>Certification No. GARY EIDSON 12641</p> |
|---|---|

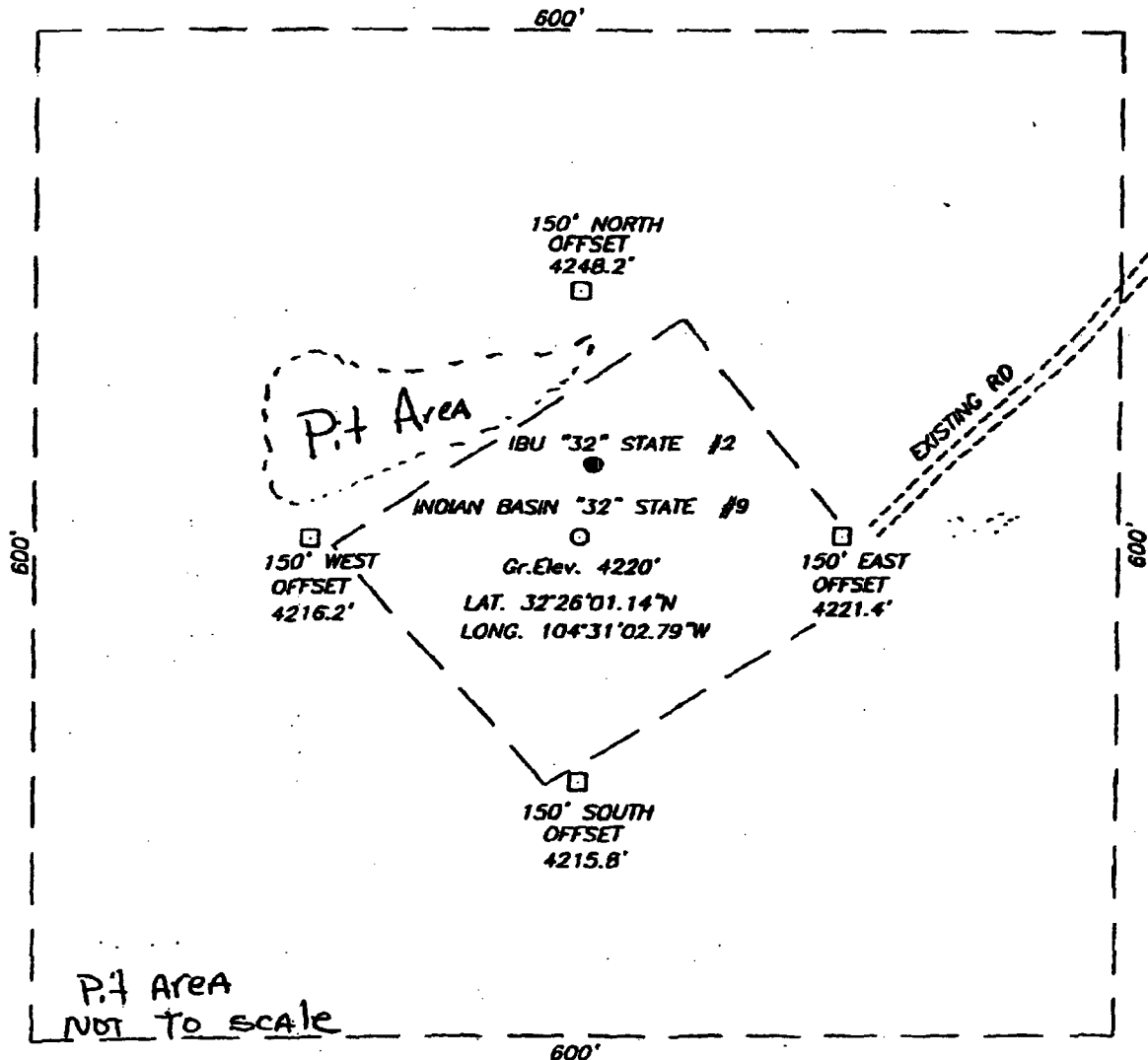
## **Additional Information- IB "32" State # 9**

### **General**

The IB "32" State # 9 is located on Federal lands. A category determination has been asked for from the BLM to drill well on existing IB "32" State # 2 well site. The applied for pit will be constructed with-in the original pit area of the IB "32" State # 2, with no new surface damages. Approx. size 100'x 100' x 4'.

- Topsoil will be stripped and stockpiled for use as the final cover of fill at the time of closure.
- Contents removed from old pit will be stockpiled on a liner to prevent soil contamination.
- A 20 mil. Liner will be installed. Padding will be added if necessary. Liner will be anchored per OCD's guidelines. OCD will be contacted 24 hrs. prior to liner installation.
- All necessary steps will be taken to prevent liner damage.
- Marathon will used a combination of produced and freshwater during drilling, anticipated chloride content of drilling fluids - 10,000 ppm.
- Pit Area will be fence, work access will remain open during operations, closed once rig operations cease.
- All fluids will be removed from pit in a timely manner after operations cease.
- OCD will be contacted when pit closure commences.
- Closure of pit will be performed as per current OCD guidelines for onsite encapsulation. The liner edges shall be folded over the contents and a 40 mil liner shall be installed on top. A min. of 3 foot of clean soil shall be spread over encapsulated pit contents. Stockpiled top soil shall be spread and contoured. Pit area will be re-seeded and re-vegetation promoted.

**SECTION 32, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,**  
**EDDY COUNTY, NEW MEXICO.**



P.4 Area  
 NOT TO SCALE

**DIRECTIONS TO LOCATION:**

AT MILE POST #42 ON STATE HWY. #137 (QUEENS HWY.) GO SOUTH AT CATTLE GUARD 1.9 MILES TO FORK. TURN LEFT AND GO UP THE STEEP HILL 0.3 MILES TO ANOTHER FORK IN RD. TURN LEFT AND GO NORTH 3.5 MILES. STAY TO THE LEFT AND GO PAST THE MOC. PROD. FACILITY #132. THE FIRST ROAD PAST THE FACILITY TO THE RIGHT GOES TO THE EXISTING IBU 32 STATE #2 WELL LOCATION. THIS LOCATION IS ON THE SAME WELL PAD.



**MARATHON OIL COMPANY**

THE INDIAN BASIN "32" STATE #9 LOCATED 1958 FROM THE SOUTH LINE AND 1652' FROM THE EAST LINE OF SECTION 32, TOWNSHIP 21 SOUTH, RANGE 24 EAST, EDDY COUNTY, NEW MEXICO

|                         |                     |
|-------------------------|---------------------|
| Survey Date: 03/22/04   | Sheet 1 of 1 Sheets |
| W.O. Number: 04.11.0315 | DRAWN BY: A.W.B     |

**JOHN WEST SURVEYING COMPANY**

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117