

Lease or Facility Benson #1
Field or Prospect East Garrett Deep
Location: Sec. 14, T-16-S, R-38-E
Lea County, New Mexico

Wildcat ☒ Development ☐ Development Exploratory ☐ Recompletion ☐ Workover ☐
Est. Total Depth 13,500' Est. Drilling Days 64 Est. Completion Days 20

SOURCE	QUANTITY	DESCRIPTION	FEATURE NO.	C O N D	ESTIMATED COST
		DRILLING COSTS – TANGIBLE			
		Drive Pipe	1		-
		Conductor	2		-
	300'	13-3/8" Surface	3		6,000
	5,000'	9-5/8" Intermediate--Casing, Liner, or Tieback	4		80,000
		Liner Hanger and Tieback Equipment	5		-
		Casinghead	6		20,000
		Miscellaneous	7		2,000
		TOTAL DRILLING COSTS – TANGIBLE			108,000
		DRILLING COSTS -- INTANGIBLE			
		Location and Access	9		36,000
	4	Daywork Drilling	10		14,000
	13,500'	Footage Basis Drilling	11		304,000
		Direct Supervision	14		22,000
		Bits, Hole Openers, Stabilizers, etc.	15		-
		Mud and Mud Services	16		35,000
		Rig Fuel	17		-
		Water	18		30,000
		Rental Equipment and Tools	19		36,000
		Casing/Drive Pipe Tools, Services and Accessories	20		8,000
		Cement and Cementing Service	21		22,000
		Well Logging and Services	22		24,000
		Mud Logging	23		18,000
		Pipe Inspection	24		6,000
		Directional Services	25		-
		Coring	26		-
		Formation Testing 1 DST	27		5,000
		Diving Services	28		-
		Mobilization/Demobilization	29		-
		Air Transportation	30		-
		Marine Transportation	31		-
		Land Transportation	32		18,000
		Shore Base Services	33		-
		Communications	34		-
		Fishing Tools and Services	35		-
		Abandoning Tools and Services	36		-
		Miscellaneous Material and Services	37		30,000
		Dry Hole Contributions	38		-
		Overhead	39		-
		Indirect Expense	40		10,000
		TOTAL DRILLING COSTS -- INTANGIBLE			618,000
TOTAL DRILLING COSTS					\$ 726,000
		COMPLETION COSTS – TANGIBLE			
	13,500'	5-1/2" Production Casing	42		115,000
		Liners	43		-
	13,500'	Tubing	44		70,000
		Liner Hanger and Tieback Equipment	45		-
		Christmas Tree	46		25,000
		Subsurface Safety Shut-In Devices	47		-
		Packers	48		4,000
		Subsurface Artificial Lift Equipment	49		-
		TOTAL COMPLETION COSTS – TANGIBLE			214,000

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
Marathon EXHIBIT NO. 16
CASE NO. 9145-9146

Lease or Facility Benson #1

SOURCE	QUANTITY	DESCRIPTION	FEATURE NO.	C O N D	ESTIMATED COST
		COMPLETION COSTS -- INTANGIBLE			
		Location and Access	51		-
		Completion Rig	52		24,000
		Contract Service Units	53		-
		Direct Supervision	54		6,000
		Company Labor	55		-
		Contract Labor	56		-
		Rig Fuel	57		-
		Completion and Packer Fluids	58		6,000
		Rental Equipment and Tools	59		20,000
		Casing Tools, Services and Accessories	60		8,000
		Cement and Cementing Service	61		18,000
		Logging Services	62		5,000
		Perforating	63		5,000
		Wireline Services	64		-
		Formation Treating	65		25,000
		Sand Control Equipment and Services	66		-
		Formation Testing	67		-
		Tubular Testing and Cleaning	68		-
		Mobilization and Demobilization of Completion Rig	69		-
		Air Transportation	70		-
		Marine Transportation	71		-
		Land Transportation	72		6,000
		Shore Base Services	73		-
		Communications	74		-
		Fishing Tools and Services	75		-
		Wireline Cased-hole Plugbacks	76		-
		Miscellaneous Material and Services	77		10,000
		Sidetrack or Milling Sections	78		-
		Overhead	79		-
		Indirect Expense	80		-
		TOTAL COMPLETION COSTS -- INTANGIBLE			133,000

TOTAL COMPLETION COSTS \$ 347,000

		SURFACE EQUIPMENT -- TANGIBLE			
		Pumping Equipment	83		-
		Tanks and Related Equipment	84		10,000
		Company Labor and Non-Hauling Units	85		-
		Contract Labor and Non-Hauling Units	86		-
		Water Injection Equipment	87		-
		Heater-Treater	88		10,000
		Miscellaneous Supplies	89		5,000
		Dehydrating Equipment	90		-
		Separator-Trap	91		10,000
		Transportation	92		3,000
		Metering Equipment	93		2,000
		Line Pipe	94		-
		Electrical Equipment	95		-
		Compressors	96		-

TOTAL SURFACE EQUIPMENT -- TANGIBLE \$ 40,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

Total Drilling Cost

Total Completion Cost

Total Surface Equipment

Grand Total Cost

Marathon's Share of Grand Total Cost to be Booked This Year

If Wildcat Well, Give Marathon's Share of Dry Hole Cost

TOTAL COST	MARATHON'S SHARE (_____%)
\$ 726,000	\$
347,000	
40,000	
\$1,113,000	\$