

A18

*[Signature]*

N.M. Oil Cons. Div-Dist. 2  
SUBMIT IN TRIPLICATE  
Other instructions on reverse side

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

5

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Albuquerque, NM 88210

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 Marathon Oil Company

3. ADDRESS AND TELEPHONE NO.  
 P.O. Box 552 Midland, TX 79702 (915) 687-8357

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface  
 1265' FSL & 2073' FEL  
 At proposed prod. zone  
 100' FSL & 2100' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 15 NW of Carlsbad N.M.

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
 (Also to nearest dir. unit line, if any) 100' BHL

16. NO. OF ACRES IN LEASE  
 640

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 320 S/2

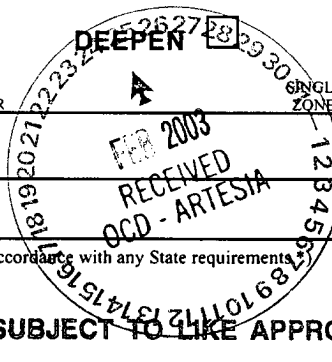
18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 \* see below

19. PROPOSED DEPTH  
 8600'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4207' G.L.

22. APPROX. DATE WORK WILL START\*  
 ASAP



SUBJECT TO LIKE APPROVAL BY STATE

5. LEASE DESIGNATION AND SERIAL NO.  
 LC-064243A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A

7. UNIT AGREEMENT NAME  
 Indian Hills Unit

8. FARM OR LEASE NAME, WELL NO.  
 Indian Hills Unit # 52

9. API WELL NO.  
 30-015-32805

10. FIELD AND POOL, OR WILDCAT  
 Indian Basin Upper Penn. Assoc.

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 17, T-21-S, R-24-E

12. COUNTY OR PARISH  
 Eddy

13. STATE  
 N.M.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" K-55	36#	1800'	640 sks.
8-3/4"	7" K-55	23#/ 26#	8600'	1280 sks.

Marathon Oil Company is proposing to drill a directional Upper Penn Associated gas well to 8600'.

This well is Non Standard to the South boundary line of the Project Area. The wells BHL is outside the Standard 660' Producing Area window.

\*The BHL of the proposed IHU # 52 will be 1765' from the BHL of the IHU # 42 in U.L. "P" of Section 17.

NSL-4755-A (BHL)(SD)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *[Signature]* TITLE Engineer Tech. DATE September 09, 2002

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /S/ JOE G. LARA TITLE FIELD MANAGER DATE FEB 21 2003

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. APPROVAL FOR 1 YEAR

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**Marathon Oil Company**

3a. Address 3b. Phone No. (include area code)  
**P.O. Box 552 Midland, TX 79702** **915-687-8360**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SHL @ 1265' FSL & 2073' FEL Sec. 17, T-21-S, R-24-E**  
**BHL Approx. 100' FSL & 2100' FEL Sec. 17, T-21-S, R-24-E**  
**Eddy Co. N.M.**

5. Lease Serial No.  
**LC-064243-A**

6. If Indian, Allottee or Tribe Name  
**N/A**

7. If Unit or CA/Agreement, Name and/or No.  
**Indian Hills Unit**

8. Well Name and No.  
**Indian Hills Unit # 52**

9. API Well No.

10. Field and Pool, or Exploratory Area  
**Indian Basin U.P. Assoc.**

11. County or Parish, State  
**Eddy N.M.**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

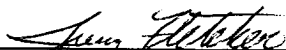
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

**Marathon is proposing to drill a directional well to 8700' TVD. This well will have a Non-Standard EHL Target. Well will be in the Indian Basin Upper Penn Associated Gas Pool.**

**Please find the New C-102 Acreage Dedication plat along with the Directional plan from Baker Inteq.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>Jerry Fletcher</b>	Title <b>Engineer TECh.</b>
	Date <b>11/01/02</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by **IS/ JOE G. LARA** **FIELD MANAGER** Date **FEB 21 2003**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **CARLSBAD FIELD OFFICE**

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos 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 33685	Pool Name Indian Basin Upper Penn. Assoc.
Property Code	Property Name INDIAN HILLS UNIT	Well Number 52
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 4207'

Surface Location

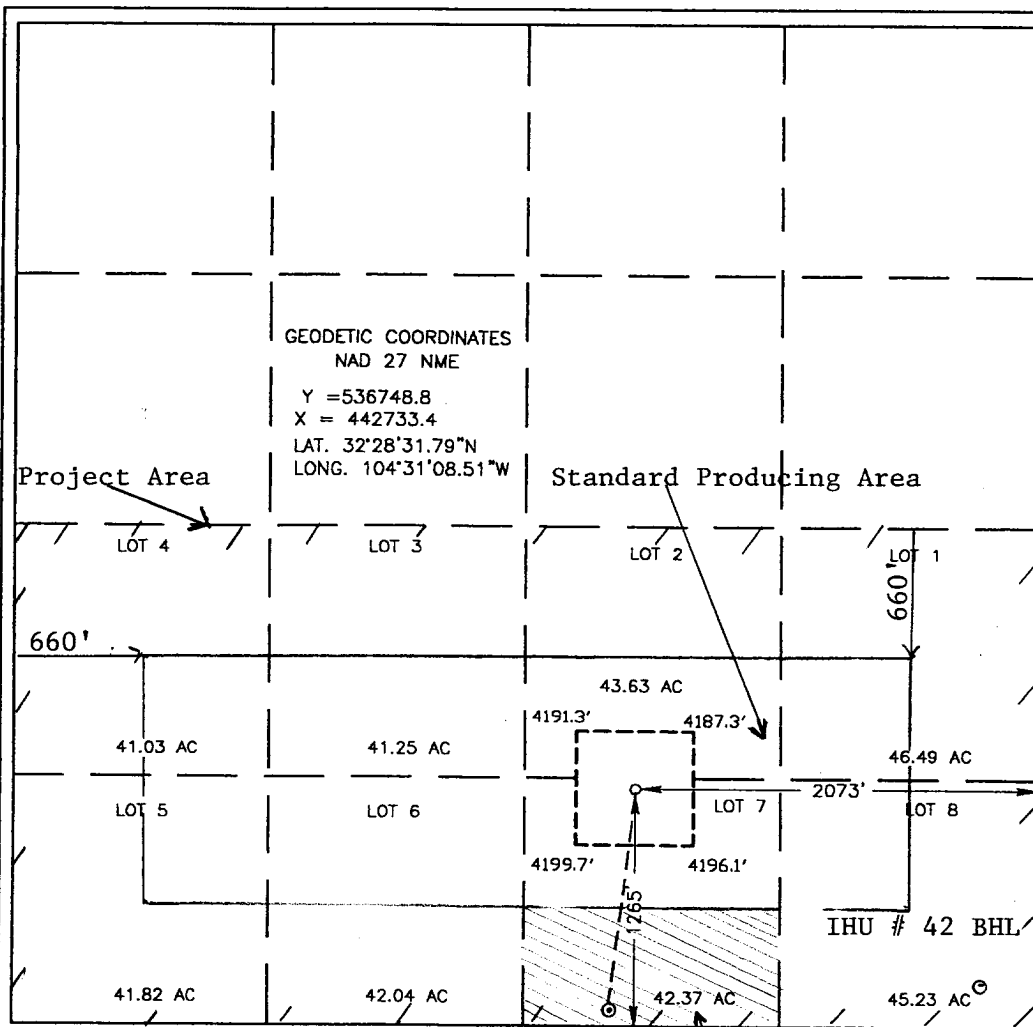
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
7	17	21-S	24-E		1265	SOUTH	2073	EAST	EDDY

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
7	17	21-S	24-E		100'	SOUTH	2100'	EAST	EDDY

Dedicated Acres 320 S/2	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Jerry Fletcher*  
Signature

Jerry Fletcher  
Printed Name  
Engineer Tech.

Title  
11-01-02  
Date

SURVEYOR CERTIFICATION

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.

AUGUST 26, 2002

Date Surveyed  
Signature & Seal  
Professional Surveyor

*Ronald J. Edson*  
Professional Surveyor  
02.11.0629

Certificate No. RONALD J. EDSON 3239  
GARY EDSON 12641