

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Alamogordo, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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

915-687-8360

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

2679' FSL & 1396' FEL

At proposed prod. zone

1500' FNL & 660' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

15 miles NW of Carlsbad

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drile unit line, if any) 660' FEL

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320 N/2

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

* 1500' See below

19. PROPOSED DEPTH

8600'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4062' G.L.

Carlsbad Controlled Water Basin

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12.25"	9-5/8" K-55	36#	1800'	440 sks.
8-3/4"	7" K-55	23#/26#	8600'	1280 sks.

Marathon Oil Company is proposing to drill a Upper Penn Assoc.
directional well with a Standard BHL target.

This well will be drilled from the existing Indian Hills Unit # 29 location pad.
The old pit will be re-entered for the drilling of the proposed IHU # 44.
This will conserve space and minimize additional surface disturbances.

* The distance from the Indian Hills Unit # 9 SHL to the Indian Hills Unit
44 BHL is approximately 1500'.

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS**

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

24.

SIGNED

TITLE

Engineer Tech.

DATE

September 11, 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/ LESLIE A. THEISS

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

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	Pool Name
		33685	Indian Basin Upper Penn. Assoc.
Property Code	Property Name		Well Number
	INDIAN HILLS UNIT		44
OGRID No.	Operator Name		Elevation
14021	MARATHON OIL COMPANY		4062'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
10	33	21-S	24-E		2679'	SOUTH	1396'	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
8	33	21-S	24-E		1500'	NORTH	660'	EAST	EDDY

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

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

LOT 4	LOT 3	LOT 2	LOT 1
42.16 AC	42.38 AC	42.59 AC	42.81 AC
LOT 5	LOT 6	LOT 7	LOT 8
	GEODETIC COORDINATES NAD 27 NME SURF. LOC. Y = 522242.0 X = 448971.7 LAT. 32°26'08.33"N LONG. 104°29'55.43"W		BH LOC. Y = 523505.1 X = 449721.5
42.29 AC	42.51 AC	42.72 AC	42.94 AC
LOT 12	LOT 11	LOT 10	LOT 9
42.42 AC	42.64 AC	42.85 AC	43.07 AC
LOT 13	LOT 14	LOT 15	LOT 16
42.55 AC	42.77 AC	42.98 AC	43.20 AC

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

October 31, 2002
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.

SEPTEMBER 03, 2002

Date Surveyed _____ AWB

Signature & Seal of Professional Surveyor
Ronald J. Eidson
02.11.0628

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

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

DISTRICT II
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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 44
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 4062'

Surface Location

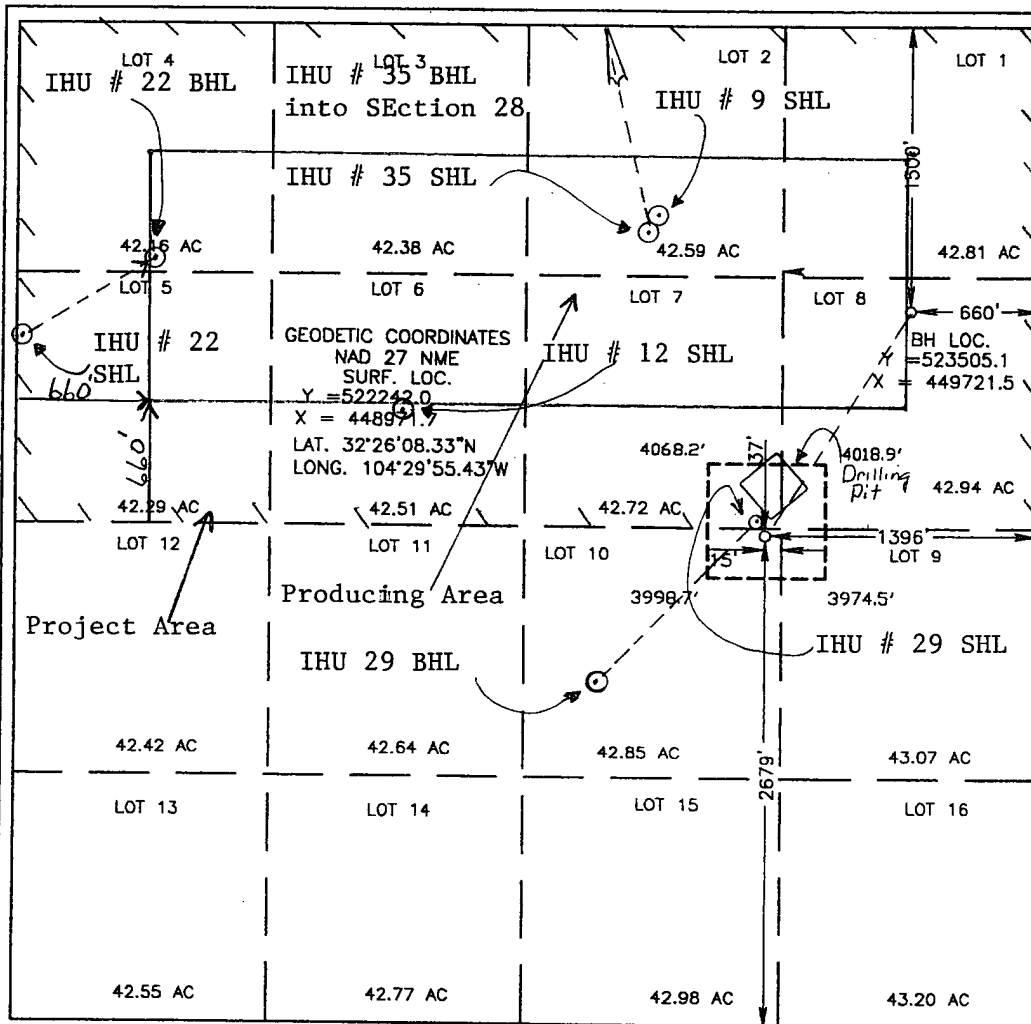
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
10	33	21-S	24-E		2679'	SOUTH	1396'	EAST	EDDY

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
8	33	21-S	24-E		1500'	NORTH	660'	EAST	EDDY

Dedicated Acres 320 N/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.

Signature
Jerry Fletcher

Printed Name
Engineer Tech.

Title
October 31, 2002
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.

SEPTEMBER 03, 2002

Date Surveyed
Signature & Seal of
Professional Surveyor

Ronald J. Edson 9/06/02
02.11.0628

Certificate No. RONALD J. EDSON 3239
GARY EDSON 12641

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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		5. Lease Serial No. NM-07260
2. Name of Operator Marathon Oil Company		6. If Indian, Allottee or Tribe Name N/A
3a. Address P.O. Box 552 Midland, TX 79702	3b. Phone No. (include area code) 915-687-8360	7. If Unit or CA/Agreement, Name and/or No. Indian Hills Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL @ 2679' FSL & 1396' FEL Sec. 33, T-21-S, R-24-E BHL @ approx. 1500' FNL & 660' FEL, Sec.33, T-21-S, R-24-E Eddy Co. N.M.		8. Well Name and No. Indian Hills Unit # 44
		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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 Oil Company is proposing to drill a directional Indian Basin Upper Perm. Associated gas pool well to 8500' TVD. This well will have a Standard BHL Target.

Please find the attached Directional survey provided us by Baker Inteq as well as the C-102 identifying the Project Area and the Producing Area for this well.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jerry Fletcher

Title

Engineer Tech.

Date **11-01-02**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/s/ LESLIE A. THEISS**

Title **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.

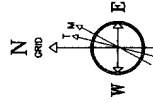
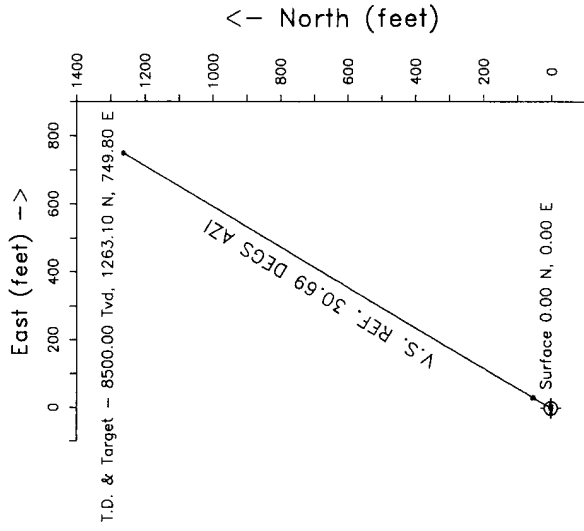
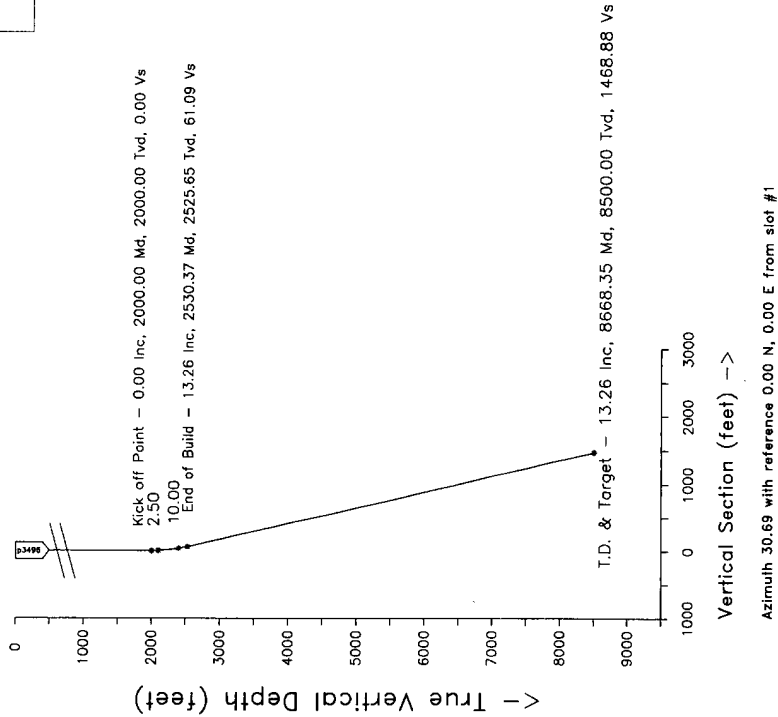
Office

CARLSBAD FIELD OFFICE

Marathon Oil Company									
Structure : Indian Hills Unit 44					Slot : slot #1				
Field : INDIAN BASIN					Location : Eddy County New Mexico				
----- WELL PROFILE DATA -----									
----- Point -----	MD	Inc	Dir	TVO	North	East	V. Sect	Deg/100	
Top on	0.00	0.00	30.69	0.00	0.00	0.00	0.00	0.00	
KOP	2000.00	0.00	30.69	2000.00	0.00	0.00	0.00	0.00	
End of Build	2530.37	13.26	30.69	2525.65	52.54	31.19	61.09	2.50	
T.D. & Target ID IHU 44	8668.35	13.26	30.69	8500.00	1263.10	749.80	1468.88	0.00	



PROPOSED BHL
 1468.88' ON AZI 30.69 DEGS
 FROM SURFACE LOCATION
 M.D: 8668.35' T.V.D: 8500.00'
 N- 1263.10' E- 749.80'
 X= 449721.5 Y= 523505.1



1-Oct-2002 (Source: BGM)
 Magnetic North is 9.04 degrees East of True North
 GRID North is 0.08 degrees West of True North
 To convert azimuth from Magnetic to GRID add 9.13 deg
 To convert azimuth from GRID to Magnetic subtract 9.13 deg

STRUCTURE SET-UP REFERENCE

LAT : 32 26 8.332 N
 LONG: 104 29 55.429 W
 X= 448971.7 Y= 522242.0

PROJECTION: MERCATOR
 Mercator Zone: New Mexico East
 Spheroid Used: Clarke - 1866
 Data Source: BGM
 Dip Angle: 60.44 deg
 Field Strength: 49590.28 nT



INTEQ

APPROVAL

Operations: _____
 Client: _____
 Date: _____

Created By: Kellym
 Date Plotted: 1-Oct-2002
 Plot Reference: PO 20J RC/DH
 Coordinates are in feet reference slot #1.
 True Vertical Depth is reference rotary table.
 ihu44
 --- Baker Hughes INTEQ ---

Marathon Oil Company
Indian Hills Unit 44

slot #1
INDIAN BASIN
Eddy County New Mexico

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : P0 2DJ RC/DH
Our ref : prop3496
License :

Date printed : 1-Oct-2002
Date created : 1-Oct-2002
Last revised : 1-Oct-2002

Field is centred on n32 30 0.000,w104 30 0
Structure is centred on 448971.700,522242.000,999.00000,N

Slot location is n32 26 8.332,w104 29 55.429
Slot Grid coordinates are N 522242.000, E 448971.700
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - New Mexico East (3001), Spheroid: Clarke - 1866

Reference North is Grid North

Marathon Oil Company
Indian Hills Unit 44, slot #1
INDIAN BASIN, Eddy County New Mexico

PROPOSAL LISTING Page 1
Your ref : P0 2DJ RC/DH
Last revised : 1-Oct-2002

Measured Depth	Inclin Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect	G R I D Easting	C O O R D S Northing
0.00	0.00	30.69	0.00	0.00N	0.00	0.00	448971.70	522242.00
500.00	0.00	30.69	500.00	0.00N	0.00	0.00	448971.70	522242.00
1000.00	0.00	30.69	1000.00	0.00N	0.00	0.00	448971.70	522242.00
1500.00	0.00	30.69	1500.00	0.00N	0.00	0.00	448971.70	522242.00
2000.00	0.00	30.69	2000.00	0.00N	0.00	0.00	448971.70	522242.00
2100.00	2.50	30.69	2099.97	1.88N	2.50	2.18	448972.81	522243.88
2200.00	5.00	30.69	2199.75	7.50N	2.50	8.72	448976.15	522249.50
2300.00	7.50	30.69	2299.14	16.86N	2.50	19.61	448981.71	522258.86
2400.00	10.00	30.69	2397.97	29.94N	2.50	34.82	448989.47	522271.94
2500.00	12.50	30.69	2496.04	46.71N	2.50	54.33	448999.43	522288.71
2530.37	13.26	30.69	2525.65	52.54N	2.50	61.09	449002.89	522294.54
3000.00	13.26	30.69	2982.76	145.16N	0.00	168.81	449057.87	522387.16
3500.00	13.26	30.69	3469.43	243.77N	0.00	283.49	449116.41	522485.77
4000.00	13.26	30.69	3956.10	342.38N	0.00	398.17	449174.95	522584.38
4500.00	13.26	30.69	4442.77	441.00N	0.00	512.84	449233.48	522683.00
5000.00	13.26	30.69	4929.44	539.61N	0.00	627.52	449292.02	522781.61
5500.00	13.26	30.69	5416.12	638.22N	0.00	742.20	449350.56	522880.22
6000.00	13.26	30.69	5902.79	736.83N	0.00	856.88	449409.10	522978.83
6500.00	13.26	30.69	6389.46	835.45N	0.00	971.56	449467.64	523077.45
7000.00	13.26	30.69	6876.13	934.06N	0.00	1086.24	449526.18	523176.06
7500.00	13.26	30.69	7362.80	1032.67N	0.00	1200.92	449584.71	523274.67
8000.00	13.26	30.69	7849.47	1131.29N	0.00	1315.59	449643.25	523373.29
8500.00	13.26	30.69	8336.14	1229.90N	0.00	1430.27	449701.79	523471.90
8668.35	13.26	30.69	8500.00	1263.10N	0.00	1468.88	449721.50	523505.10

All data in feet unless otherwise stated. Calculation uses minimum curvature method.

Coordinates from slot #1 and TVD from rotary table.

Bottom hole distance is 1468.88 on azimuth 30.69 degrees from wellhead.

Vertical section is from wellhead on azimuth 30.69 degrees.

Grid is mercator - New Mexico East (3001).

Grid coordinates in FEET and computed using the Clarke - 1866 spheroid

Presented by Baker Hughes INTEQ

Marathon Oil Company
Indian Hills Unit 44, slot #1
INDIAN BASIN, Eddy County New Mexico

PROPOSAL LISTING Page 2
Your ref : P0 2DJ RC/DH
Last revised : 1-Oct-2002

Comments in wellpath

=====

Comment

Rectangular Coords.

TVD

MD

8668.35 8500.00 1263.10N 749.80E TD IHU 44

Targets associated with this wellpath

=====

Target name

Geographic Location

T.V.D.

Rectangular Coordinates

Revised

TD IHU 44 449721.500,523505.100,0.00000 8500.00 1263.10N 749.80E 1-Oct-2002

