

District I - (575) 393-6161

1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283

811 S. First St., Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460

1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OGD Energy Minerals and Natural Resources

MAR 15 2018

RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

| | | |
|---|--|---|
| <p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p> | | <p>WELL API NO. 30-025-02605</p> |
| <p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD</p> | | <p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p> |
| <p>2. Name of Operator Marathon Oil Permian LLC</p> | | <p>6. State Oil & Gas Lease No. 014961</p> |
| <p>3. Address of Operator 5555 San Felipe St., Houston, TX 77056</p> | | <p>7. Lease Name or Unit Agreement Name STATE AA</p> |
| <p>4. Well Location Unit Letter I: 660 feet from the EAST line and 1980 feet from the SOUTH line Section 35 Township 21S Range 34E NMPM County LEA</p> | | <p>8. Well Number 1</p> |
| <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3669' GR</p> | | <p>9. OGRID Number 372098</p> |
| <p>10. Pool name or Wildcat SWD; YATES</p> | | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|---|--|---|--|
| <p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>CLOSED-LOOP SYSTEM <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p> | | <p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: TEMPORARILY ABANDON <input checked="" type="checkbox"/></p> | |
|---|--|---|--|

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marathon Oil Permian, LLC notified the State 24 hr. prior to running MIT and is submitting successful MIT performed on 3/9/2018 which was witnessed by State representative. Please see attached.

Pressure test start 610 psi for 32 minutes, end with 600 psi.

This Approval of Temporary Abandonment Expires 3/9/2022

Spud Date:

Rig Release Date:

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

SIGNATURE Jennifer Van Curen TITLE Sr. Regulatory Compliance DATE 3/15/2018

Type or print name Jennifer Van Curen E-mail address: jvancuren@marathonoil.com PHONE: 713-296-2500

For State Use Only
APPROVED BY: Maley Brown TITLE AO/II DATE 3/15/2018
Conditions of Approval (if any):

RBDMS - CHART - ✓

MB

| | | | | | | |
|--------------------------------|----------------------------------|-----------------------------------|---------------------|-------------------|-----------------------|------------------------|
| Well Name STATE AA 1 | | API/ IPO UWI 3002502605 | | Orig KB Elev (ft) | Ground Elevation (ft) | Drilling Rig Spud Date |
| Legal Survey Type | Qtr/Qtr, Block, Sec, Town, Range | N/S Dist (ft) | N/... E/W Dist (ft) | E/... | County | State/Province |
| Congressional Location | 35, 34E, 21S | 1,980.0 | FSL 660.0 | FEL | LEA | NEW MEXICO |

Vertical schematic (actual)

Wellbore Sections

| Section Des | Size (in) | Act Btm (ftKB) |
|--------------|-----------|----------------|
| Surface | 12 1/4 | 240.0 |
| Production 1 | 7 7/8 | 3,823.0 |
| Openhole | 4 3/4 | 4,169.0 |

Casing Strings

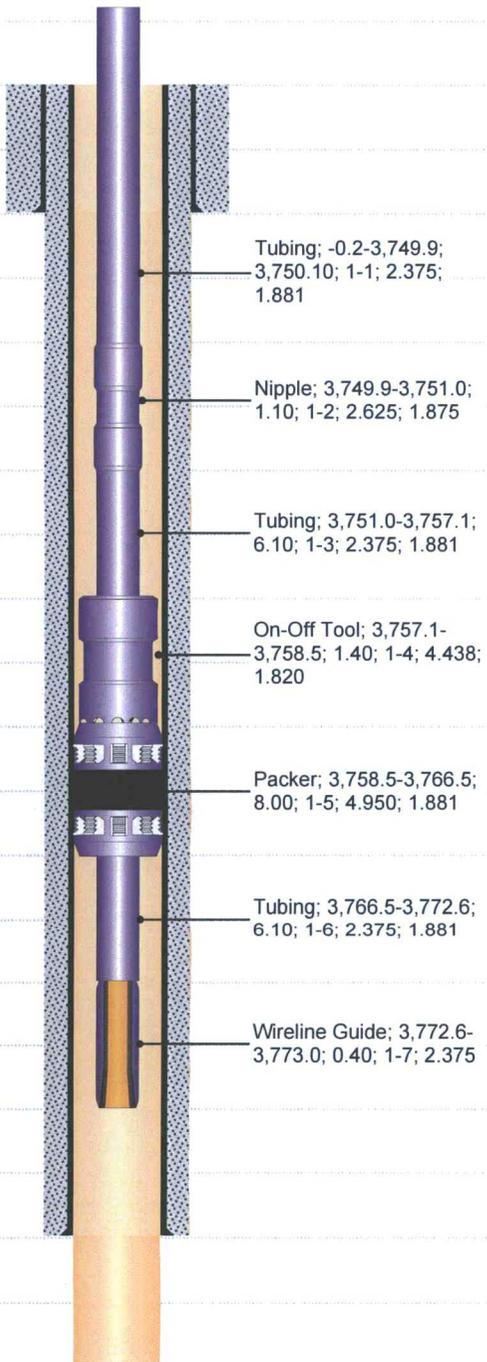
| Csg Des | Run Date | Set Depth (ftKB) | Com |
|--------------|----------|------------------|-----------------|
| Surface | | 240.0 | 8-5/8" 24# |
| Production 1 | | 3,823.0 | 5-1/2" 15# K-55 |

Cement Stages

| Des | Start Date | Stg # | Top (ftKB) | Btm (ftKB) | Com |
|--------------------------|------------|-------|------------|------------|----------------------|
| Production Casing Cement | | 1 | 0.0 | 3,823.0 | 850 sx (TOC at surf) |
| Surface Casing Cement | | 1 | 0.0 | 240.0 | 200 sx (TOC at surf) |

Tubing Strings

| Run Date | Set Depth (ftKB) | Com |
|-----------|------------------|------------------------------|
| 6/28/2016 | 3,773.0 | 2-3/8" IPC, AS1X pkr @ 3759' |



**State of New Mexico
 Energy, Minerals and Natural Resources Department
 Oil Conservation Division Hobbs District Office**

BRADENHEAD TEST REPORT

| | | |
|--|--|--|
| Operator Name MARATHON OIL PERMIAN,LLC | | API Number 30-025-02605-0000 |
| Property Name STATE A A | | Well No. 001 |

7. Surface Location

| | | | | | | | | |
|----------------------|----------------------|-------------------------|----------------------|--------------------------|----------------------|-------------------------|----------------------|----------------------|
| UL - Lot I | Section 35 | Township 21-S | Range 34-E | Feet from 1980 | N/S Line S | Feet From 660 | E/W Line E | County LEA |
|----------------------|----------------------|-------------------------|----------------------|--------------------------|----------------------|-------------------------|----------------------|----------------------|

Well Status

| | | | | |
|---|---|---|--|------------------------|
| TA'D Well YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | SHUT-IN YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | INJECTOR INJ <input type="checkbox"/> SWD <input checked="" type="checkbox"/> | PRODUCER OIL <input type="checkbox"/> GAS <input type="checkbox"/> | DATE 3/09/18 |
|---|---|---|--|------------------------|

OBSERVED DATA

| | (A)Surf-Interm | (B)Interm(1) | (C)Interm(2) | (D)Prod Csmg | (E)Tubing |
|-----------------------------|----------------|--------------|--------------|--------------|--------------------|
| Pressure | 0 | — | — | 0 | 24 |
| Flow Characteristics | | | | | |
| Puff | Y/N | Y/N | Y/N | Y/N | CO2 _____ |
| Steady Flow | Y/N | Y/N | Y/N | Y/N | WTR _____ |
| Surges | Y/N | Y/N | Y/N | Y/N | GAS _____ |
| Down to nothing | Y/N | Y/N | Y/N | Y/N | If applicable type |
| Gas or Oil | Y/N | Y/N | Y/N | Y/N | fluid injected for |
| Water | Y/N | Y/N | Y/N | Y/N | Waterflood |

Remarks: Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

| | |
|------------------------|--|
| Signature: | OIL CONSERVATION DIVISION |
| Printed name: | Entered into RBDMS |
| Title: | Re-test |
| E-mail Address: | |
| Date: | Phone: |
| | Witness: KERRY FORTNER-OCD 575-399-3221 |