

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-101  
May 27, 2004

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

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

|  |  |   |
|--|--|---|
| <sup>1</sup> Operator Name and Address<br>Marathon Oil Company<br>P.O. Box 3487 Houston, TX 77253-3487 |  | <sup>2</sup> OGRID Number<br>14021      |
| <sup>4</sup> Property Code<br>6454   |  | <sup>3</sup> API Number<br>30- 25-37653 |
| <sup>5</sup> Property Name<br>Mark Owen  |  | <sup>6</sup> Well No.<br>17             |
| <sup>9</sup> Proposed Pool 1<br>Penrose Skelly Grayburg  |  | <sup>10</sup> Proposed Pool 2           |

**<sup>7</sup> Surface Location**

|                    |               |                  |               |          |                      |                           |                       |                        |               |
|--------------------|---------------|------------------|---------------|----------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>N | Section<br>35 | Township<br>21-S | Range<br>37-E | Lot. Idn | Feet from the<br>510 | North/South Line<br>South | Feet from the<br>1650 | East/West line<br>West | County<br>Lea |
|--------------------|---------------|------------------|---------------|----------|----------------------|---------------------------|-----------------------|------------------------|---------------|

**<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 |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|

**Additional Well Location**

|  |                                   |  |                               |   |
|--|-----------------------------------|--|-------------------------------|---|
| <sup>11</sup> Work Type Code<br>P  | <sup>12</sup> Well Type Code<br>0 | <sup>13</sup> Cable/Rotary             | <sup>14</sup> Lease Type Code | <sup>15</sup> Ground Level Elevation<br>3370.24 |
| <sup>16</sup> Multiple<br>N  | <sup>17</sup> Proposed Depth      | <sup>18</sup> Formation<br>Grayburg    | <sup>19</sup> Contractor      | <sup>20</sup> Spud Date<br>1000                 |
| Depth to ground water  |                                   | Distance from nearest fresh water well |                               | Distance from nearest surface water             |
| Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method:<br>Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                                   |  |                               |   |

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

| Hole Size   | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|---|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4"   | 8 5/8"      | 24#                | 424'          | 250             | Surface       |
| 7 7/8"  | 5 1/2"      | 15.5#              | 4124'         | 1020            | 80'           |
| Permit Expires 1 Year From Approval<br>Unless Drilling Underway<br>Plugback |             |                    |               |                 |               |

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

Marathon Oil Company is proposing to plug back the San Andres formation by setting a CIBP above the current producing interval in the Mark Owen No. 17. Marathon will then come up hole and recompleate the well to the Penrose Skelly Grayburg. A copy of the C-102 for the Penrose Skelly Grayburg is already on file with the NMOCDD with the original application to drill. I have included a copy of that form with this filing.

<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 NMOCDD guidelines ☐ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: Charles E. Kendrix  
Printed name: Charles E. Kendrix

Title: Regulatory Compliance Rep

E-mail Address: cekendrix@marathonoil.com

Date: 09/29/2006

Phone: 713-296-2096

**OIL CONSERVATION DIVISION**

Approved by:

Chris Williams

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

OCT 10 2006

## DISTRICT I

1625 N. FRENCH DR., BOHRS, NM 86240

## DISTRICT II

1201 W. GRAND AVENUE, ARTESIA, NM 86210

## 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 and Natural Resources Department

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

|                            |                                       |                                       |
|----------------------------|---------------------------------------|---------------------------------------|
| API Number<br>30-025-37653 | Pool Code<br>50350                    | Pool Name<br>PENROSE SKELLY; GRAYBURG |
| Property Code<br>6454      | Property Name<br>MARK OWEN            | Well Number<br>17                     |
| OGRID No.<br>14021         | Operator Name<br>MARATHON OIL COMPANY | Elevation<br>3370'                    |

## Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 35      | 21-S     | 37-E  |         | 510           | SOUTH            | 1650          | WEST           | LEA    |

## 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                       |                 |                    |           |
|-----------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br>40 | 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>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>Y=521998.3 N<br/>X=869284.9 E</p> <p>LAT.=32°25'45.84" N<br/>LONG.=103°08'11.39" W</p> <p>1650'</p> <p>510'</p> <p>NOT DRILLED</p> | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Frank M. Krugh</i><br/>Signature</p> <p>FRANK M. KRUGH<br/>Printed Name</p> <p>Reg. Comp. Rep. III<br/>Title</p> <p>1/19/06<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>JANUARY 11, 2006</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Gary B. Edson</i><br/>Professional Surveyor</p> <p>06.11.0062</p> <p>Certificate No. GARY EDSON 12641</p> |