

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☒ AMENDED REPORT

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

¹ Operator name and Address Marathon Oil Company P.O. Box 552 Midland, Texas 79702		² OGRID Number 14021
⁴ Property Code 19741	⁵ Property Name SILVERSTRAND STATE	³ API Number 30-0 30-025-33659
		⁶ Well Number 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
C	2	17-S	34-E		660	NORTH	1980	WEST	LEA

⁸ 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
F	2	17-S	34-E		1750'	NORTH	1865	WEST	LEA

⁹ Proposed Pool 1 NORTH VACUUM (ABO)	¹⁰ Proposed Pool 2 N. VACUUM (ATOKA, LOWER MORROW)
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¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4049
¹⁶ Multiple NO	¹⁷ Proposed Depth 12,700'	¹⁸ Formations ATOKA, L/MORROW	¹⁹ Contractor UNKNOWN	²⁰ Spud Date 11/18/96

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48	450	495	SURFACE
11"	8 5/8"	24.32	4800	1315	SURFACE
7 7/8"	5 1/2"	17.23.26	12,700	1360	+/- 4600'

²² 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

Proposed BOPE: 13 5/8" 5M dual ram, annular & rotating head. All BOPE shall be installed and operated in accordance with OCD Rules #109 & #114.
All casing shall be run and cemented in accordance with Rule #107.
Propose to use DV tool @ +/- 9000'.

A request for Administrative Approval for this directional wellbore to the Atoka/Morrow has been submitted to the OCD Division Director. *See Attached Letter & Waivers*

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Walker J. Nordt</i>		OIL CONSERVATION DIVISION	
Printed name: D. P. Nordt		Approved by: <i>ORIGINAL SIGNATURE OF ALEX GENTON</i>	
Title: Drilling Superintendent		Title: <i>DRILLING SUPERINTENDENT</i>	
Date: 11/13/96	Phone: 915/687-8344	Approval Date: JAN 14 1997	Expiration Date:
		Conditions of Approval: Attached <input type="checkbox"/>	

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer EE, 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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33659	Pool Code 86800	Pool Name N. Vacuum Atoka, Lower Morrow
Property Code 19741	Property Name EVER STRAND OIL	Well Number 1
GRID No 14021	Operator Name WACATON OIL COMPANY	Elevation 4049'

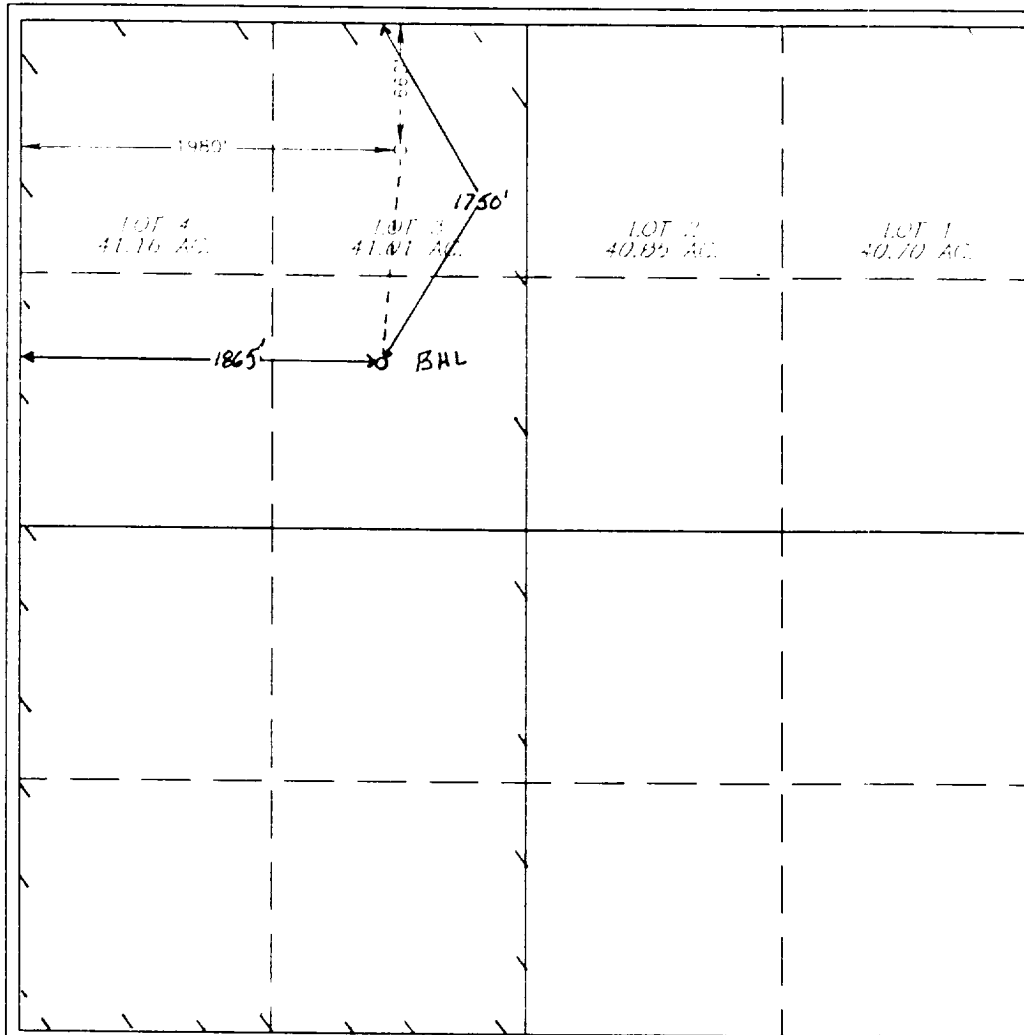
Surface Location

LL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	17 S	34 E		860	NORTH	1980	WEST	LEA

Bottom Hole Location If Different From Surface

LL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	17 S	34 E		1750'	North	1865	West	Lea
Dedicated Acres 320 - w/2	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



OPERATOR CERTIFICATION

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

Walter J. Nordt
Signature
D. P. Nordt
Printed Name
Drilling Superintendent
Title
11/13/96
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.

OCTOBER 10, 1996

Date Surveyed
Signature & Seal of Professional Surveyor
Ronald L. Eidson
96-11-1302
Certificate No. JOHN W. WEST 676
RONALD L. EIDSON 3239
CARY EIDSON 12641



**Marathon
Oil Company**

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

January 10, 1996

New Mexico Dept. of Energy, Minerals
and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Attention: Mr. M.E. Stogner

Re: Amended Request for Administrative Approval
of Unorthodox Location
Silverstrand State #1
660' FNL & 1980' FWL
Sec. 2, T-17-S, R-34-E
Lea County, New Mexico

Dear Mr. Stogner:

Marathon Oil Company wishes to amend its application to drill a directional wellbore submitted to the NMOCD dated 11/13/96.

Marathon spudded the Silverstrand #1 on 12/7/96 and is currently drilling at 10,200'. On 12/5/96, Intercoast Oil & Gas plugged and abandoned an offset Lower Atoka/Morrow test at 1980' FNL & 972' FEL, Sec. 2, T-17-S, R-34-E, Lea County, New Mexico.

Pursuant to our conversation on 12/23/96, Marathon wishes to amend its previous request to drill a directional well to a standard Lower Atoka/Morrow BHL at 1750' FNL & 1865' FWL, Sec. 2, T-17-S, R-34-E, and now intends to drill vertically to an unorthodox Lower Atoka/Morrow location at 660' FNL & 1980' FWL, Sec. 2, T-17-S, R-34-E. This location is standard for the secondary objective in the Abo formation, but is non-standard for the Lower Atoka/Morrow. As this location is less than 1980' from the end of the 320 acre proration unit, it encroaches on acreage held by Mallon Oil Co., SW/4 Sec. 35, T-16-S, R-34-E, and Intercoast Oil & Gas, E/2 Sec. 35, T-16-S, R-34-E.

Attached please find signed waivers from the affected offset operators agreeing to Marathon's intent to drill this well vertically to a non-standard Lower Atoka/Morrow location. You have sufficient leasehold and geological data to reference this request from the previous applications filed for this well. Should anything additional be needed, please call me at 1-800-351-1417.

Thank you for your attention to this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Walter J. Duese'.

Walter J. Duese
MARATHON OIL COMPANY

WJD/dlt
enclosures

cc: Jerry Sexton w/enclosures





**Marathon
Oil Company**

P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1826

January 3, 1997

Attn: Mr. Randy Stallcup
MALLON OIL COMPANY
999 18th St, Ste 1700
Denver, CO 80202

Re: Waiver of Protest for Unorthodox Gas Well Location
Silverstrand St. No. 1, 660' FWL & 1980' FWL of
Section 2, T-17-S, R-34-E, Lea County, New Mexico
North Vacuum Atoka, Lower Morrow, Pool

Dear Randy:

Pursuant to our telephone conversation of yesterday's date, Marathon respectfully requests Mallon's waiver of protest to the above referenced well which is located at an unorthodox location for the referenced pool. In return for granting Marathon this waiver, Marathon agrees to grant Mallon a similar waiver if requested.

If the foregoing is acceptable, please sign one (1) copy of this letter in the space provided below and return it to the attention of the undersigned in the enclosed envelope. If you have any questions, please don't hesitate to give me a call at (915) 687-8480. Thank you for your cooperation in this matter.

Yours very truly,

J. F. Rusnak
Advanced Landman

JFR:mmc'

As an offset leasehold owner, the undersigned has no objection to Marathon Oil Company's application to drill and complete the Silverstrand State No.1 well at the above referenced location in the N. Vacuum Atoka, Lower Morrow, Pool.

Approved By:
Representing: Marathon Oil Company
Date: 1-3-97





**Marathon
Oil Company**

P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1828

January 3, 1997

Attn: Mr. Rick Deffenbaugh
INTERCOAST OIL AND GAS
7130 S. Lewis, Ste. 700
Tulsa, OK 74136

Re: Waiver of Protest for Unorthodox Gas Well Location
Silverstrand St. No. 1, 660' FNL & 1980' FWL of
Section 2, T-17-S, R-34-E, Lea County, New Mexico
North Vacuum Atoka, Lower Morrow, Pool

Dear Rick:

Pursuant to our telephone conversation of today's date, Marathon respectfully requests Intercoast's waiver of protest to the above referenced well which is located at an unorthodox location for the referenced pool. In return for granting Marathon this waiver, Marathon agrees to grant Intercoast a similar waiver if requested.

If the foregoing is acceptable, please sign one (1) copy of this letter in the space provided below and return it to the attention of the undersigned in the enclosed envelope. If you have any questions, please don't hesitate to give me a call at (915) 687-8400. Thank you for your cooperation in this matter.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'J.F. Rusnak'.

J.F. Rusnak
Advanced Landman

JFR:mmc'

As an offset operator, the undersigned has no objection to Marathon Oil Company's application to drill and complete the Silverstrand State No.1 well at the above referenced location in the N. Vacuum Atoka, Lower Morrow, Pool.

Approved By: A handwritten signature in dark ink, appearing to read 'J. A. [unclear]'.
Representing: Intercoast Oil and Gas Company
Date: _____

