



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

August 9, 1999

Energy, Minerals and Natural Resources Department
Oil Conservation Division – District I
1625 North French
Hobbs, New Mexico 88240
Attention: Chris Williams

RE: Palmetto 17 State Com # 1
SHL UL "G", 1650' FNL & 1650' FEL
Section 17, T-17-S, R-36-E
Lea County, New Mexico

API # 30-025-34652

Dear Mr. Williams,

Marathon has spud the above referenced well and is currently drilling. Based on our seismic interpretation, we believe that the preferred target to intersect greater reservoir development and porosity in the Atoka formation is northwest of our surface hole location.

We propose to kick off from vertical at approximately 9024' and drill to a BHL at approximately 1000' FNL & 2000' FEL of Section 17, T-17-S, R-36-E. The proposed BHL is a standard location for wildcat gas wells in Lea County, New Mexico. As shown on the attached C-102 the well has a 320 acre (north half) project area and the proposed BHL falls within the producing area which maintains a 660' set back from the exterior boundary of the north half of the section.

Marathon respectfully requests District approval for this proposed directional wellbore to be deviated to a standard BHL as described in this letter and on the attached C-102. Should anything additional be needed, please call me at (800) 351-1417.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Walter Dueease'.

Walter Dueease

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
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34652	² Pool Code	³ Pool Name WILDCAT <i>Atoka</i>
⁴ Property Code 24726	⁵ Property Name PALMETTO 17 STATE COM	⁶ Well Number
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3878'

¹⁰ Surface Location

UL or lot no. G	Section 17	Township 17 S	Range 36 E	Lot. Idn	Feet from the 1650	North/South Line NORTH	Feet from the 1650	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 17	Township 17 S	Range 36 E	Lot. Idn	Feet from the 1099.25	North/South Line NORTH	Feet from the 2000 <i>2076</i>	East/West line EAST	County LEA
¹² Dedicated Acres 320 N/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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>The diagram shows a 320-acre project area divided into a grid. A smaller 'PRODUCING AREA' is outlined within the grid. Dimensions of 660', 1000', and 1650' are marked along the grid lines. A well location is indicated with a dashed line and labeled 'BHL'. A smaller area is labeled '2000'' and '1650''. Survey coordinates are provided: Y 669732.9 and X 795026.7. The area is labeled '320 ACRE PROJECT AREA'.</p>	<p>¹⁷ OPERATOR CERTIFICATION</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>Walter J. Longmire</i></p> <p>Signature R. J. LONGMIRE</p> <p>Printed Name DRILLING SUPERINTENDENT</p> <p>Title 8/9/99</p> <p>Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</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>_____</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>_____</p> <p>Certificate Number</p>