Submit to Appropriate
District Office :
State Lease — 6 copies
Fee Lease — 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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-101
Revised 1-1-89

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.
NM 199

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL [X] RE-ENTER [ ] DEEPEN [ ] PLUG BACK [ ]

b. Type of Well:
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [ ]

7. Lease Name or Unit Agreement Name
McGrail State

2. Name of Operator
Marathon Oil Company

8. Well No.
3

3. Address of Operator
P O Box 552, Midland, TX 79702 915/ 682-1626

9. Pool name or Wildcat
EUMONT-YATES, 7R-QUEEN

4. Well Location
Unit Letter K : 1880 Feet From The SOUTH Line and 1980 Feet From The WEST Line

Section 26 Township 19-S Range 36-E NMPM Lea County

10. Proposed Depth	11. Formation	12. Rotary or C.T.
3700'	Yates-SR-QN	rotary

13. Elevations (Show whether DF, RT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contractor	16. Approx. Date Work will start
3674'	blanket-current	unknown	7-20-94

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	± 1200'	550	surf
7-7/8"	5-1/2"	15.5#	± 3700'	330	± 1000'

Proposed BOP equipment: 13-5/8", 3M annular preventer used as diverter. Production hole: 11" 3M, dual ram, annular, choke manifold & rotating head. All csg shall be run & cmt'd in accordance to NMOCD Rule #107. All BOP equipment shall be installed and operated in accordance to NMOCD Rules #109 & #114.

OPER. OGRID NO. 14021
PROPERTY NO. 6440
POOL CODE 76480
EFF. DATE 7-12-94
API NO. 30-025-32579

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE W. J. Duncan FOR TB ARNOLD TITLE Drlg Supt. DATE 7-07-94

TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR TITLE DATE JUL 12 1994

CONDITIONS OF APPROVAL, IF ANY: