

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

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

API NO. (assigned by OCD on New Wells) Old Well
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name McDonald State A/C 1 Com.
8. Well No. 5
9. Pool name or Wildcat Jalmat Gas (Yates, 7 Rivers)

<b>APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK</b>					
1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>					
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>					
2. Name of Operator Marathon Oil Company					
3. Address of Operator P. O. Box 552, Midland, Texas 79702					
4. Well Location Unit Letter <u>F</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>16</u> Township <u>22-S</u> Range <u>36-E</u> NMPM Lea County					
10. Proposed Depth 3150'-3350'		11. Formation Yates, 7 Rivers		12. Rotary or C.T. N/A	
13. Elevations (Show whether DF, RT, GR, etc.) 3574' KB, 3563' GL		14. Kind & Status Plug. Bond		15. Drilling Contractor N/A	
16. Approx. Date Work will start 12-11-89					
<b>PROPOSED CASING AND CEMENT PROGRAM</b>					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
15"	12 1/2"	40#	269'	200	N/A
11"	9 5/8"	36#	1453'	800	N/A
8 3/4"	7"	24#	3700'	400	N/A

Marathon Oil Company proposed to set a CIBP at approximately 3600' and dump one sack of cement on top of the plug, thereby temporarily abandoning the Seven Rivers and Queen perforations from 3730'-3813'. Marathon then plans to perforate the Yates and Seven Rivers selectively after log evaluation. Marathon will then fracture stimulate if fluid productivity is established.

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 [Signature] TITLE Hobbs Production Sup't. DATE 12-8-89  
TYPE OR PRINT NAME J. R. Jenkins (915)  
TELEPHONE NO. 682-1626

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON  
APPROVED BY DISTRICT I SUPERVISOR

CONDITIONS OF APPROVAL, IF ANY:

TITLE \_\_\_\_\_ DATE \_\_\_\_\_

DEC 13 1989

Permit Expires 6 Months From Approval  
Date Unless Drilling Underway.  
Warkov