

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

DISTRICT II-ARTESIA O.C.D.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM93771
2. Name of Operator MARATHON OIL PERMIAN LLC		6. If Indian, Allottee or Tribe Name
Contact: JENNIFER VAN CUREN E-Mail: jvancuren@marathonoil.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 5555 SAN FELIPE ST HOUSTON, TX 77056	3b. Phone No. (include area code) Ph: 713.296.2500	8. Well Name and No. SHUGART WEST 24 FEDERAL J 3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T18S R30E NWSE 2310FSL 1650FEL		9. API Well No. 30-015-31581-00-S1
10. Field and Pool or Exploratory Area SHUGART		11. County or Parish, State EDDY COUNTY, NM

Carlsbad Field Office
OCD Artesia

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Marathon Oil Permian LLC is requesting to perform the recompleation as follows:

Procedure:

1. MIRU PU.
2. POOH w/ rods and tbg
3. RIH W/ CIBP to 7652? set. (+/- 50? above top perf of 7702?)
4. Bailor in 35? cmt on top WOC then pressure test to 500# for 30 mins.
5. RD PU.
6. MIRU wireline shoot perfs in zone of 6870?- 6920' and 7122 - 7172? MD
7. RDMO wireline
8. RIH w/ Pkr and tubing to 20? above perfs.
9. Swab on well for 2 days Evaluate results. If positive continue below. Otherwise call BLM and

GC 6-6-18
Accepted for record - NMOCDSEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

14. I hereby certify that the foregoing is true and correct.		JUN 06 2018 DISTRICT II-ARTESIA O.C.D.
Electronic Submission #421917 verified by the BLM Well Information System For MARATHON OIL PERMIAN LLC, sent to the Carlsbad Committed to AFMSS for processing by ZOTA STEVENS on 05/31/2018 (18ZS0123SE)		
Name (Printed/Typed)	JENNIFER VAN CUREN	Title
Signature	(Electronic Submission)	Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By: ZOTA STEVENS	Title: PETROLEUM ENGINEER	Date: 05/31/2018
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office: Carlsbad		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

RWP 6-11-18

DISTRICT I
P.O. Box 1080, Hobbs, NM 88241-1080

DISTRICT II
P.O. Box 88, Artesia, NM 88211-0088

DISTRICT III
1000 Elko Branch Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2080, Santa Fe, NM 87504-2080

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

OIL CONSERVATION DIVISION

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

Form C-102
Revised February 10, 1984
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31581	Pool Code 56405	Pool Name Shugart LEONARD-BONE SPRING
Property Code	Property Name SHUGART WEST "24" FEDERAL "J"	Well Number 3
OGED No.	Operator Name KCS MEDALLION RESOURCES, INC.	Elevation 3624

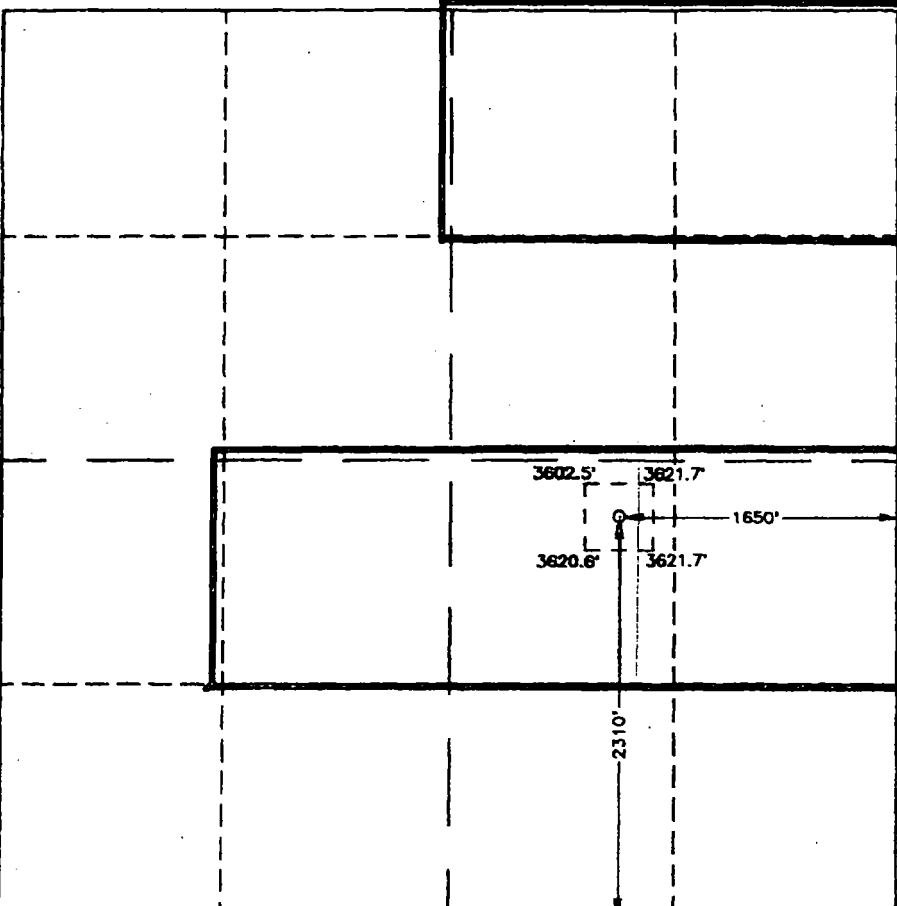
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	18 S	30 E		2310	SOUTH	1650	EAST	EDDY

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 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>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>Larry Wheat</i> Signature Larry Wheat Printed Name Dr. J. Sapt Title 11-4-00 Date</p>
	<p>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>OCTOBER 28, 2000</p> <p>Date Surveyed Signature of Surveyor Professional Surveyor <i>Ronald J. Edson</i> NEW MEXICO REG. NO. 08-11-3555 Certificate No. RONALD J. EDSON 3239 CARY PROFESSIONAL EDSON 12641</p>

Marathon Oil Corporation

VERTICAL WELLBORE DIAGRAM

Shugart West 24 J Federal #3

Eddy County, New Mexico
 SL: 2310'FSL, 1650'FEL
 Sec 24-18S-30E
 BHL: Vertical
 Sec 24-18S-30E

API No. 30-015-31581

17-1/2" hole cmt circulated →

11" hole CMT @ circulated →

7-7/8" hole cmt @ 6550' →

Pkr @ 6845' w/ 2-7/8" Tbg
 perfs 6870'-7172' →

⁵²
 CIBP @ 7643' w/ 35' bailed in
 perfs 7702-7728' →

CIBP @ 8000' w/ cmt at 30' above
 perfs 8190'-8226' →

PBTD 8337'

TD 8350'

Casing

Size	No Jts	Wt	Grade/Thrds	Depth Set (MD)	Depth Set (TVD)
13-5/8"		68	N-80	759	
8-5/8"		32	ST&C	2800	
5-1/2"		15.5, 17	J, LT&C	8350	

Description	Length	Depth Set (MD)	Depth Set (TVD)
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	

Perfs 8190'-8226': ACD BS w/3500 gals of 15% HCL plus additives & 103 frac balls.

Perfs 7702-7728': Treat w/66,000 gals of gelled fluid, 131,000# of 20/40 sand and 30,000# of Super L.C.

Marathon Oil Corporation

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 SL: 2310'FSL, 1650'FEL
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 Sec 24-18S-30E

API No. 30-015-31581

17-1/2" hole cmt circulated →

11" hole CMT @ circulated →

7-7/8" hole cmt @ 6550' →

PKR @ 7643' w/ 2-7/8" tbg to 7675' →

perfs 7702-7728' →

CIBP @ 8000' w/ cmt at 30' above →

perfs 8190'-8226' →

PBTD 8337'

TD 8350'

Casing

Size	No Jts	Wt	Grade/Thrds	Depth Set (MD)	Depth Set (TVD)
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BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to Recomplete the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be Recompleted. Failure to do so will result in enforcement action.

The rig used for the Recomplete procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any Recomplete operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat

Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

7. Subsequent Recomplete Reporting: Within 30 days after Recomplete work is completed, file one original and three copies of the Subsequent Report of Recomplete, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well.

Show date well was recompleted.

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.