

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD HobbsFORM 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.5. Lease Serial No.
NMNM12413A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2**HOBBS OCD**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

JAN 16 2019

8. Well Name and No.
SUN MCKAY 012. Name of Operator
MARATHON OIL PERMIAN LLCContact: MELISSA SZUDERA
E-Mail: mszudera@marathonoil.com**RECEIVED**9. API Well No.
30-025-25690-00-S13a. Address
5555 SAN FELIPE STREET
HOUSTON, TX 770563b. Phone No. (include area code)
Ph: 713-296-317910. Field and Pool or Exploratory Area
E LUSK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 10 T19S R32E SENW 1850FNL 1730FWL

11. County or Parish, State

LEA COUNTY, NM

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 type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" 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 recompleat 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 recompleat 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 respectfully requests to P&A the above listed well completing the following procedure:

- Add Plugs: Set CIBP @ 12600, Spot Cnt from 12600 - 12176. Spot Cnt from 11600 - 11370.*
1. 4 1/2 CIBP @ 10,500' w/25sx cmt. *10652, Cnt from 10652 - 10410.*
 2. 25sx 7000'-6900' P.S & tag. *7250, 502 cnt to 7080. Add Plug Per @ 5720, 502 To 5560, Tag*
 3. 135sx 4350-3850' P.S & tag.
 4. 35sx 2900'-~~2800~~' P.S & tag. *2770*
 5. 35sx 1500'-1400' P.S & tag.
 6. 35sx 1380'-1280' P.S & tag.
 7. 135sx 485'-surf. Verify. Install DHM. *Perf @ 485, 502 cnt to surf.*

P&A mud between all plugs.
Closed loop.SEE ATTACHED FOR
CONDITIONS OF APPROVA*Below ground level day hole marker required*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #444819 verified by the BLM Well Information System

For MARATHON OIL PERMIAN LLC, sent to the Hobbs

Committed to AFMSS for processing by DEBORAH MCKINNEY on 11/26/2018 (19DLM0137SE)

Name (Printed/Typed) MELISSA SZUDERA

Title REGULATORY COMPLIANCE REP

Signature (Electronic Submission)

Date 11/20/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

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 **

FOR RECORD ONLY

Kerry J. Fisher NMOC 1-17-19

Additional data for EC transaction #44481 that would not on the form

32. Additional remarks, continued

All Fluids to licensed facility.

See attached wellbore diagram.

Before



Wellbore Schematic

Well Name: SUN MCKAY FEDERAL 1

| | | | | | | |
|------------------------------|----------------|--------------------------|-----------------------------------|----------------------------------|---------------------------|------------------------------|
| State/Province NEW MEXICO | Prospect Area | Field Name LUSK | Well Subtype OIL WELL | Lat/Long Datum NAD27 | Latitude (°) 32.676983 | Longitude (°) -103.756619 |
| Well Configuration Type | Well Objective | Well Status PRODUCING | Ground Elevation (ft) 3,658.00 | KB-Ground Distance (ft) 18.00 | | |

SUN MCKAY FEDERAL 1, 11/16/2018 2:03:07 PM

MD (ftKB)

Vertical schematic (actual)

0.0

17 1/2"

18.0

Des: Surface Casing Cement;
Category: Cement; Top MD: 18.0 ftKB; Btm
MD: 435.0 ftKB; Com: 400 sks

435.0

Des: Intermediate Casing Cement;
Category: Cement; Top MD: 18.0 ftKB; Btm
MD: 4,200.0 ftKB; Com: 550 sks

4,200.1

DVT Below T/F Rustler

11"

8,839.9

10,702.1

10,743.1

7 7/8"

10,808.1

Des: Production Casing Cement;
Category: Cement; Top MD: 8,840.0 ftKB;
Btm MD: 13,000.0 ftKB; Com: 500 sks

12,661.1

Rustler 1200
Salt 1450

12,746.1

Tansill 2600
Vater 2850

12,899.9

7R 3300
Qu 3900

12,903.9

GB 4300
Dal 5670

12,919.9

BS 7200
WC 10460

12,935.0

ST 11550

12,955.1

Des: Cement Plug; Category: Cement; Top
MD: 12,955.0 ftKB; Btm MD: 13,000.0 ftKB

13,000.0

AT 11850 10050 T/S
MR 12224 12/27/77

Des: Surface; Category: Casing; OD: 13.375
in; ID: 12.715 in; Length: 417.00 ft; ID
Min: 12.559 in; Wt.: 48.00 lb/ft; Grade: H40;
Top MD: 18.0 ftKB; Btm MD: 435.0 ftKB
Des: Intermediate 1; Category: Casing;
OD: 8.625 in; ID: 7.921 in; Length: 4,182.00
ft; ID Min: 7.796 in; Wt.: 32.00 lb/ft;
Grade: H40; Top MD: 18.0 ftKB; Btm
MD: 4,200.0 ftKB
Tubing: 2,375

Top MD: 10,702.0; Btm MD: 10,743.0

Top MD: 12,661.0; Btm MD: 12,746.0;
Com: 12661-68, 12698-707', 12736-46'

Top MD: 12,900.0; Btm MD: 12,904.0

Top MD: 12,920.0; Btm MD: 12,935.0;
Com: 12920-26', 12931-35'

Des: Production 1; Category: Casing;
OD: 4.500 in; ID: 4.000 in; Length: 12,982.00
ft; ID Min: 3.875 in; Wt.: 11.60 lb/ft;
Grade: N80; Top MD: 18.0 ftKB; Btm
MD: 13,000.0 ftKB

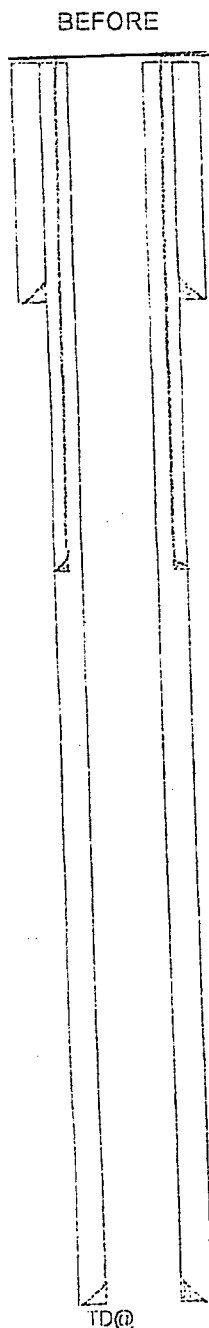
Directions to Well:

After

MAVERICK WELL PLUGGERS

COMPANY:
Marathon Oil Permian LLC
WELL NAME:
Sun McKay Fed
WELL #:
1
COUNTY:
Lla
LEASE ID:
NM 12413-A
API # 30-025-25690

| SURFACE CASING | | | | |
|---------------------|-------|-------|--------|-----|
| OD | WT/FT | GRADE | SET AT | TOC |
| 13 3/8" | 48 | | 417 | |
| INTERMEDIATE CASING | | | | |
| OD | WT/FT | GRADE | SET AT | TOC |
| 8 5/8" | 32 | | 4182 | |
| PRODUCTION CASING | | | | |
| OD | WT/FT | GRADE | SET AT | TOC |
| 4 1/2" | 11.6 | | 12,982 | |
| TUBING | | | | |
| OD | WT/FT | GRADE | SET AT | TAC |
| | | | | |



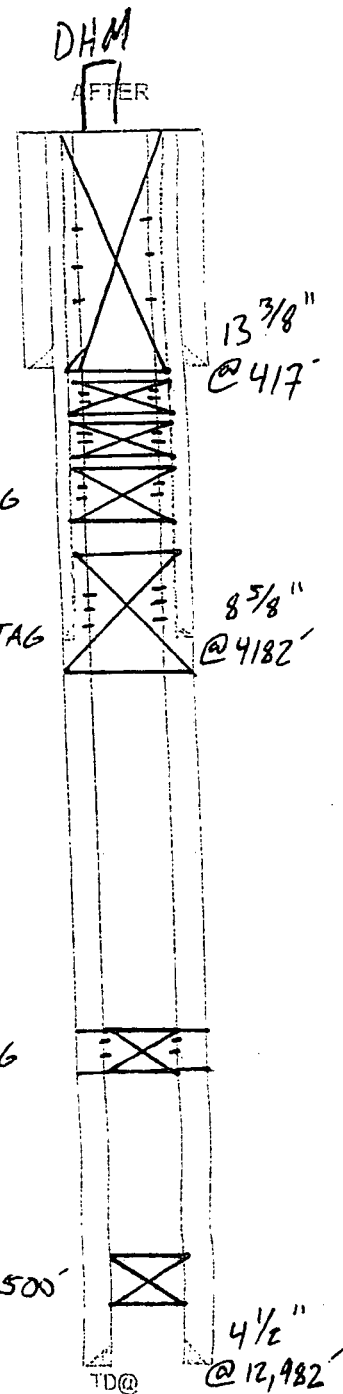
135 SX 485' - Surf
Visually Verify

35 SX 1380' - 1280' P.S. + TAG
35 SX 1500' - 1400 P.S. + TAG
35 SX 2900' - 2800' P.S. + TAG

135 SX 4350' - 3850' P.S. + TAG

25 SX 7000' - 6900' P.S. + TAG

4 1/2" CIAP @ 10,500'
w/ 25 SX



BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

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 plug 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 plugged. Failure to do so will result in enforcement action.

The rig used for the plugging 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 plugging 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.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, 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 plugged.

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.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted