

CMD : ONGARD
 0655SECT INQUIRE LAND BY SECTION

Sec : 21 Twp : 21S Rng : 24E Section Type : NORMAL

D 40.00 Federal owned U	C 40.00 Federal owned U	2 38.26 Federal owned U	1 38.29 Federal owned U
E 40.00 Federal owned U	F 40.00 Federal owned U	3 36.69 Federal owned U	4 36.72 Federal owned U
L 40.00 Federal owned U	K 40.00 Federal owned U	6 36.35 Federal owned U	5 36.29 Federal owned U
M 40.00 Federal owned U	N 40.00 Federal owned U	7 37.74 Federal owned U	8 37.68 Federal owned U
A A A A			

2298.02



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 23, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 3487
Houston, Texas 77253-3487

Attention: **Mark Mick**
Operations Engineer
msmick@marathonoil.com

AMENDED Administrative Order NSL-4750 (BHL) (SD)

Dear Mr. Mick:

Reference is made to the following: (i) your application filed with the New Mexico Oil Conservation Division ("Division") on March 29, 2004 (*administrative application reference No. pMES0-409128759*); (ii) my e-mail on Friday afternoon, April 23, 2004 requesting additional information to support your application; (iii) your e-mail response on the same day with the requested information; and (iv) the Division's records in Santa Fe, including the file on Division Administrative Orders NSL-4750 (BHL) (SD): all concerning Marathon Oil Company's ("Marathon") request for an exception to Rule 2 (b) of the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool*", as promulgated by New Mexico Oil Conservation Division ("Division") Order Nos. R-9922, R-9922-A, R-9922-B, R-9922-C, R-9922-D, and R-9922-E and the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended, for Marathon's existing Indian Hills Unit Well No. 45 (API No. 30-015-32338) to be recompleted with a horizontal drainhole within an existing standard 298.02-acre spacing and proration unit within the Indian Basin-Upper Pennsylvanian Associated Pool (33685) comprising Lots 1 through 8 (E/2 equivalent) of Section 21, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

This application has been duly filed under the provisions of: (i) Division Rule 104.F; (ii) Division Rule 1207.A; (iii) 111.C (2); and (iv) Rule 2 (c) of the aforementioned associated oil and gas pool rules.

This unit is currently simultaneously dedicated to Marathon's:

- (i) Indian Hills Unit Well No. 24 (API No. 30-015-31266), located on the surface 685 feet from the North line and 2073 feet from the East line (Unit B) of Section 28, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, and completed within the Indian Basin-Upper Pennsylvanian Associated Pool at a standard sub-surface location within Lot 6 (NW/4 SE/4 equivalent - Unit J) of Section 21;
- (ii) Indian Hills Unit Well No. 28 (API No. 30-015-31267), located on the surface 218 feet from the South line and 660 feet from the East line (Unit P) of Section 16, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, and completed within the Indian Basin-Upper Pennsylvanian Associated Pool at a standard sub-surface location within Lot 2 (NW/4 NE/4 equivalent - Unit B) of Section 21;
- (iii) Indian Hills Unit Well No. 41 (API No. 30-015-32539), located on the surface 199 feet from the South line and 524 feet from the East line (Unit P) of Section 16, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, and completed within the Indian Basin-Upper Pennsylvanian Associated Pool at a standard sub-surface location within Lot 4 (SE/4 NE/4 equivalent - Unit H) of Section 21; and

(iv) aforementioned Indian Hills Unit Well No. 45 (API No. 30-015-32338), which well was initially drilled in November, 2003 from a surface location 806 feet from the North line and 1010 feet from the East line (Unit B) of Section 28, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, and directionally drilled to the north to a total depth of 8,237 feet (MD), or 8,072 (TVD), at a bottom-hole location 305 feet from the South line and 1136 feet from the East line (Lot 8/Unit P) of Section 21, see Division Administrative Order NSL-4750 (BHL) (SD), dated June 18, 2002.

It is the Division's understanding that Marathon now intends to abandon the current Upper Pennsylvanian completion within its Indian Hills Unit Well No. 45 and recomple by plugging back to a depth of 7,550 feet (MD), kick-off in a north-northeasterly direction, build angle to approximately 90 degrees, and continue drilling horizontally a distance of approximately 1,960 feet. The targeted end or bottom-hole location of this drainhole at 9,646 feet (MD) is proposed to be within Lot 5 (the NE/4 SE/4 equivalent - Unit I) of Section 21 at a standard subsurface location that is approximately 2084 feet from the South line and 785 feet from the East line of Section 21. This new high angle/horizontal directional wellbore is expected to intersect the top of the Upper-Pennsylvanian interval at an approximate depth of 8,954 feet (MD), or 7,700 feet (TVD) at a point 119 feet from the South line and 1080 feet from the East line (Lot 8/Unit P) of Section 21. The proposed well will be unorthodox in that its entry into the Upper-Pennsylvanian interval and a portion of the lateral drainhole will be closer then the standard setback distance of 660 from the South line of Section 21.

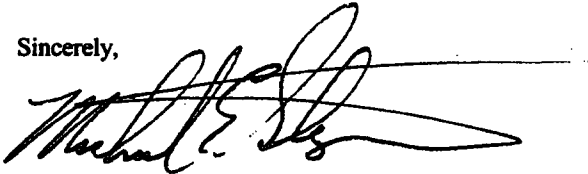
By the authority granted me under the provisions of Division Rule 104.F (2) and the applicable provisions of the special rules governing the Indian Basin-Upper Pennsylvanian Associated Pool, the above-described recompletion resulting in an unorthodox sub-surface location for the Indian Hills Unit Well No. 45 within the E/2 equivalent of Section 21, is hereby approved. Further, the aforementioned well and 320-acre spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Indian Basin-Upper Pennsylvanian Associated Pool.

Furthermore, Marathon is hereby authorized to simultaneously dedicate production attributed to the Indian Basin-Upper Pennsylvanian Associated Pool from the aforementioned Indian Hills Unit Wells No. 24, 28, 41, and 45. Furthermore, Marathon is permitted to produce the allowable assigned the subject 298.28-acre spacing and proration unit from all four wells in any proportion. Finally, Marathon shall comply with all provisions of Division Rule 111 applicable in this matter.

The Division's original Administrative Order NSL-4750 (BHL) (SD), dated June 18, 2002, shall be placed in abeyance until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Michael E. Stogner
Engineer/Hearing Officer

MES/ms

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-4750 (BHL) (SD)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

June 18, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552
Attention: K. W. Tatarzyn

Administrative Order NSL-4750 (BHL) (SD)

Dear Mr. Tatarzyn:

Reference is made to the following: (i) your application filed with the New Mexico Oil Conservation Division ("Division") on June 7, 2002 (*Division application reference No. pKRV0-216135512*); (ii) the Division's records in Santa Fe; and (iii) Mr. Walter Dueease's meeting in Santa Fe with Mr. Michael E. Stogner, Chief Hearing Officer/Engineer with the Division in Santa Fe on May 20, 2002: all concerning Marathon Oil Company's ("Marathon") request for an exception to Rule 2 (b) of the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool*", as promulgated by New Mexico Oil Conservation Division ("Division") Order Nos. R-9922, R-9922-A, R-9922-B, R-9922-C, and R-9922-D and the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended, for its proposed Indian Hills Unit Well No. 45 to be drilled as a infill well to an unorthodox subsurface location within an existing standard 298.02-acre spacing and proration unit comprising Lots 1 through 8 (E/2 equivalent) of Section 21, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

This unit is currently simultaneously dedicated to Marathon's:

- (i) Indian Hills Unit Well No. 24 (API No. 30-015-31266), located on the surface 685 feet from the North line and 2073 feet from the East line (Unit B) of Section 28, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, and completed within the Indian Basin-Upper Pennsylvanian Associated Pool (33685) at a standard sub-surface location within Lot 6 (NW/4 SE/4 equivalent - Unit J) of Section 21; and
- (ii) Indian Hills Unit Well No. 28 (API No. 30-015-31267), located on the surface 218 feet from the South line and 660 feet from the East line (Unit P) of Section 16, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, and completed within the Indian Basin-Upper Pennsylvanian Associated Pool at a standard sub-surface location within Lot 2 (NW/4 NE/4 equivalent - Unit B) of Section 21.

It is our understanding the proposed Indian Hills Unit Well No. 45, because of topographic reasons, will be spud at a surface location 806 feet from the North line and 1010 feet from the East line

(Unit B) of Section 28, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, an directionally drilled to the north to a targeted-bottomhole location at an approximate depth 8,300 feet (TVD) 339 feet from the South line and 1148 feet from the East line (Lot 8/Unit P) of Section 21. The well bore will intersect the top of the Upper-Pennsylvanian interval at an approximate depth of 7,400 feet (TVD) 100 feet from the South line and 1119 feet from the East line (Lot 8/Unit P) of Section 21. The proposed well will be unorthodox in that the entire producing interval will be closer then the standard setback distance of 660 from the South line of Section 21. This bottomhole location has been chosen by Marathon to optimize reservoir drainage and minimize geological risk.

This application has been duly filed under the provisions of Division Rule 104.F and Rule 2 (c) of the Division's associated pool rules.

By the authority granted me under the provisions of Division Rule 104.F (2) and the applicable provisions of the special rules governing the Indian Basin-Upper Pennsylvanian Associated Pool, the above-described unorthodox sub-surface location for the Indian Hills Unit Well No. 45 within the E/2 equivalent of Section 21 is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Indian Basin-Upper Pennsylvanian Associated Pool.

Marathon is hereby authorized to simultaneously dedicate production attributed to the Indian Basin-Upper Pennsylvanian Associated Pool from the aforementioned Indian Hills Unit Wells No. 24, 28, and 45. Furthermore, Marathon is permitted to produce the allowable assigned the subject 298.02-acre spacing and proration unit from all three wells in any proportion.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

CISF

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL ☐

GAS ☒

OTHER

SINGLE ☒

MULTIPLE ☐

2. NAME OF OPERATOR

Marathon Oil Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 552 Midland, TX 79702

915-687-8360

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

199' FSL & 524' FEL

At proposed prod. zone

1800' FNL & 660' FEL

SUBJECT TO LIKE APPROVAL BY STATE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 miles NW of Carlsbad

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest dir. unit line, if any) 660' BHL

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320 E/2

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

*1600'

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4017' G.L.

Carlsbad Controlled Water Basin

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12.25"	9-5/8" K--55	36#	1800'	640 sks.
8.750"	7" K-55	23#/ 26#	8500'	1280 sks.

Marathon Oil company is proposing to drill a directional Upper Perm. Assoc. gas well to 8500'

This well will have a Standard Bottom Hole Location which terminates within the 660'
set back for the Upper Perm. Associated Gas Pool.

*The proposed BHL of the IHU # 41 will be approximately 1600' Southeast of the IHU # 28
BHL.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

James F. Hatcher

TITLE Engineer Tech.

DATE 10/04/02

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

IS/ JOE G. LARA

ACTING

FIELD MANAGER

NOV 21 2002

APPROVED BY _____

TITLE _____

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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.

DISTRICT I
P.O. Box 1900, Hobbs, NM 88241-1900

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 33685	Pool Name Indian Basin Upper Penn. Assoc.
Property Code	Property Name INDIAN HILLS UNIT	Well Number 41
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 4017'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	21-S	24-E		199'	SOUTH	524'	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
H	21	21-S	24-E		1800'	NORTH	660'	EAST	EDDY

Dedicated Acres 320 E/2	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>SURF. LOC. GEODETIC COORDINATES NAD 27 NME Y = 535566.2 N X = 449530.7 E LAT. 32°28'20.20" N LONG. 104°29'49.14" W</p>				<p>SURF. LOC. 4009.1' 3993.7' 524' 4013.1' 4011.2' 199'</p>			
<p>SEC. 16</p>				<p>SEC. 21</p>			
<p>Project Area</p>				<p>660'</p>			
<p>Producing Area</p>				<p>1800'</p>			
<p>IHU # 23 BHL</p>				<p>BH LOC. Y = 533568.0 X = 449401.8 660'</p>			

OPERATOR CERTIFICATION

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

Jerry Fletcher
Signature

Jerry Fletcher
Printed Name

Engineer Tech.
Title

10/04/02
Date

SURVEYOR CERTIFICATION

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.

SEPTEMBER 30, 2002

Date Surveyed

Signature & Seal of Professional Surveyor

RONALD J. EIDSON
10/02/02

Certificate No. 3239
GARY EIDSON 12641

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0718

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

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

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-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
		33685	Indian Basin Upper Penn. Assoc.
Property Code	Property Name		Well Number
	INDIAN HILLS UNIT		41
OGRID No.	Operator Name		Elevation
14021	MARATHON OIL COMPANY		4017'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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
"H"	21	21-S	24-E		1800'	NORTH	660'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320 E/2			

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>Jerry Fletcher</i> Signature</p> <p>Jerry Fletcher Printed Name</p> <p>Engineer Tech. Title</p> <p>10/04/02 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 knowledge and belief.</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>Certificate No.</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3a. Address

P.O. Box 552 Midland, TX 79702

3b. Phone No. (include area code)

915-687-8360

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

SHL @ 199' FSL & 524' FEL Section 16, T-21-S, R-24-E

BHL @ 1800' FNL & 753' FEL Section 21, T-21-S, R-24-E

Eddy Co. N.M.

5. Lease Serial No.

NM-07260

6. If Indian, Allottee or Tribe Name

N/A

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

Indian Hills Unit

8. Well Name and No.

Indian Hills Unit 41

9. API Well No.

10. Field and Pool, or Exploratory Area

Indian Basin U.P. Assoc.

11. County or Parish, State

Eddy

N.M.

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 recompletable 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Marathon Oil Company has changed the BHL on the directional plan to make sure the Penetration point and Terminus fall within the set back distance for the Indian Basin Upper Penn. Assoc. Gas Pool which is 660' from the outer boundary of the proration unit.

Please see attached new Directional Survey furnished by Baker Inteq for details as well as a new C-102 acreage dedication plat.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jerry Fletcher

Title

Engineer Tech.

Date 11/15/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JOE G. LARA

Title

FIELD MANAGER

Date

NOV 21 2002

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 FIELD OFFICE

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

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-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	33685	Indian Basin Upper Penn. Assoc.
Property Code	Property Name	Well Number
	INDIAN HILLS UNIT	41
OGRID No.	Operator Name	Elevation
14021	MARATHON OIL COMPANY	4017'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	21-S	24-E		199'	SOUTH	524'	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
H	21	21-S	24-E		1800'	NORTH	753'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320 E/2			

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>SURF. LOC. GEODETIC COORDINATES NAD 27 NME Y = 535566.2 N X = 449530.7 E LAT. 32°28'20.20" N LONG. 104°29'49.14" W</p>		<p>SURF. LOC. 4009.1' 3993.7' 524'</p>	
		<p>SEC. 16 SEC. 21 4013.1' 4011.2' 660' 1800' 753'</p>	
<p>Project Area</p>		<p>IHU # 28 BHL</p>	
<p>BH Loc X= 533568.0 Y= 449301.8</p>		<p>Producing Area</p>	

OPERATOR CERTIFICATION

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

Jerry Fletcher
Signature
Jerry Fletcher
Printed Name
Engineer Tech.
Title
10/04/02
Date

SURVEYOR CERTIFICATION

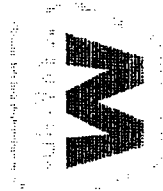
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 30, 2002

Date Surveyed
Signature & Seal of Professional Surveyor
RONALD E. EIDSON
10/02/02
02-11-0575

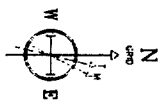
Certificate No. RONALD E. EIDSON 3239
GARY EIDSON 12641

Created By Kellym
 Date plotted: 13-Nov-2007
 Plot Reference to: RI 301 M/D/BM
 Coordinates are in feet reference slot #1
 True Vertical Depths are reference only high
 --- Baker Hughes INTEQ ---
 ihu4174



**BAKER
 HUGHES**
INTEQ

PROPOSED BHL
 2011.27' ON AZI 186.53 DECS
 FROM SURFACE LOCATION
 M.D.: 8815.19' T.V.D.: 8500.00'
 S-- 1998.20' W-- 228.90'
 X = 449301.80 Y = 533568.00



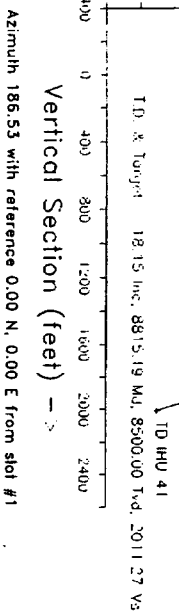
18-Dec-2007 (Source: BGM)
 Magnetic North is 0.00 degrees East of True North
 Grid North is 0.00 degrees East of True North
 To correct azimuth from True to Grid add 0.00 deg
 To correct azimuth from Magnetic to Grid add 0.15 deg

STRUCTURE SET-UP REFERENCE

LAT: 28.20147° N
 LONG: 105.24150° W
 X = 449301.80 Y = 533568.00

PROJECTION: MERCATOR
 Mercator Zone: 18N
 Spheroid Used: Everest
 Data Source: BGM

Dip Angle: 0.00 deg
 Field Strength: 0.00 mT

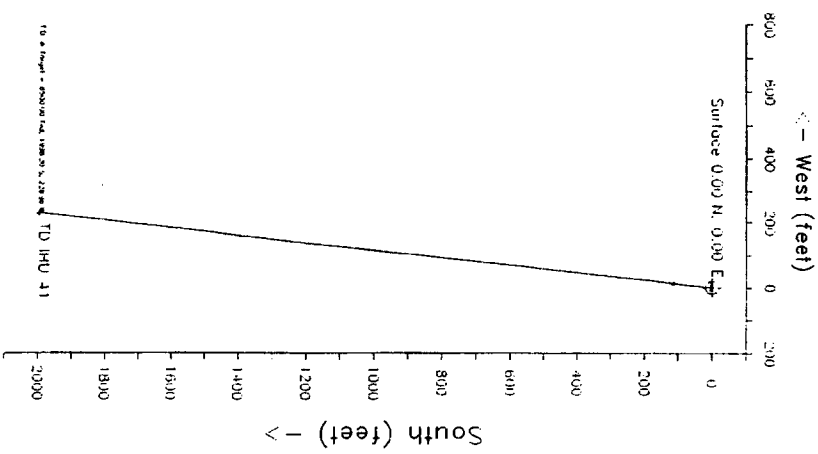


Marathon Oil Company

Structure : Indian Hills Unit 41 Slot : slot #1
 Field : INDIAN BASIN Location : Eddy County New Mexico

WELL PROFILE DATA

Point	MD	Inc	Up	TVD	North	East	V. Sect	Depth/100
Top	0.00	0.00	186.53	0.00	0.00	0.00	0.00	0.00
OP	2000.00	0.00	186.53	2000.00	0.00	0.00	0.00	0.00
End of Build	2726.17	18.15	186.53	2714.04	-115.34	-12.98	114.08	2.50
TD & Target	10 MD 41	8815.19	18.15	186.53	-8500.00	-1398.20	-228.90	2011.27



Marathon Oil Company
Indian Hills Unit 41

slot #1
INDIAN BASIN
Eddy County New Mexico

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : P0 2DJ RC/DH
Our ref : prop3497
License :

Date printed : 13-Nov-2002
Date created : 1-Oct-2002
Last revised : 13-Nov-2002

Field is centred on n32 30 0.000,w104 30 0
Structure is centred on 449530.700,535566.200,999.00000,N

Slot location is n32 28 20.197,w104 29 49.145
Slot Grid coordinates are N 535566.200, E 449530.700
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - New Mexico East (3001), Spheroid: Clarke - 1866
Reference North is Grid North

Marathon Oil Company
Indian Hills Unit 41, slot #1
INDIAN BASIN, Eddy County New Mexico

PROPOSAL LISTING Page 1
Your ref : P0 2DJ RC/DH
Last revised : 13-Nov-2002

Measured Depth	Inclin Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect	G R I D Easting	C O O R D S Northing
0.00	0.00	186.53	0.00	0.00N	0.00	0.00	449530.70	535566.20
500.00	0.00	186.53	500.00	0.00N	0.00	0.00	449530.70	535566.20
1000.00	0.00	186.53	1000.00	0.00N	0.00	0.00	449530.70	535566.20
1500.00	0.00	186.53	1500.00	0.00N	0.00	0.00	449530.70	535566.20
2000.00	0.00	186.53	2000.00	0.00N	0.00	0.00	449530.70	535566.20
2100.00	2.50	186.53	2099.97	2.17S	0.25W	2.50	449530.45	535564.03
2200.00	5.00	186.53	2199.75	8.66S	0.99W	2.50	449529.71	535557.54
2300.00	7.50	186.53	2299.14	19.48S	2.23W	2.50	449528.47	535546.72
2400.00	10.00	186.53	2397.97	34.59S	3.96W	2.50	449526.74	535531.61
2500.00	12.50	186.53	2496.04	53.97S	6.18W	2.50	449524.52	535512.23
2600.00	15.00	186.53	2593.17	77.58S	8.89W	2.50	449521.81	535488.62
2700.00	17.50	186.53	2689.17	105.38S	12.07W	2.50	449518.63	535460.82
2726.17	18.15	186.53	2714.08	113.34S	12.98W	2.50	449517.72	535452.86
3000.00	18.15	186.53	2974.28	198.11S	22.69W	0.00	449508.01	535368.09
3500.00	18.15	186.53	3449.39	352.88S	40.42W	0.00	449490.28	535213.32
4000.00	18.15	186.53	3924.50	507.66S	58.15W	0.00	449472.55	535058.54
4500.00	18.15	186.53	4399.61	662.43S	75.88W	0.00	449454.82	534903.77
5000.00	18.15	186.53	4874.72	817.21S	93.61W	0.00	449437.09	534748.99
5500.00	18.15	186.53	5349.83	971.98S	111.34W	0.00	449419.36	534594.22
6000.00	18.15	186.53	5824.94	1126.76S	129.07W	0.00	449401.63	534439.44
6500.00	18.15	186.53	6300.06	1281.53S	146.80W	0.00	449383.90	534284.67
7000.00	18.15	186.53	6775.17	1436.31S	164.53W	0.00	449366.17	534129.89
7500.00	18.15	186.53	7250.28	1591.08S	182.26W	0.00	449348.44	533975.12
8000.00	18.15	186.53	7725.39	1745.86S	199.99W	0.00	449330.71	533820.34
8500.00	18.15	186.53	8200.50	1900.63S	217.72W	0.00	449312.98	533665.57
8815.19	18.15	186.53	8500.00	1998.20S	228.90W	0.00	449301.80	533568.00

All data in feet unless otherwise stated. Calculation uses minimum curvature method.

Coordinates from slot #1 and TVD from rotary table.

Bottom hole distance is 2011.27 on azimuth 186.53 degrees from wellhead.

Vertical section is from N 0.00 E 0.00 on azimuth 186.53 degrees.

Grid is mercator - New Mexico East (3001).

Grid coordinates in FEET and computed using the Clarke - 1866 spheroid

Presented by Baker Hughes INTEQ

Marathon Oil Company
Indian Hills Unit 41, slot #1
INDIAN BASIN, Eddy County New Mexico

PROPOSAL LISTING Page 2
Your ref : P0 2DJ RC/DH
Last revised : 13-Nov-2002

Comments in wellpath
=====

MD TVD Rectangular Coords. Comment

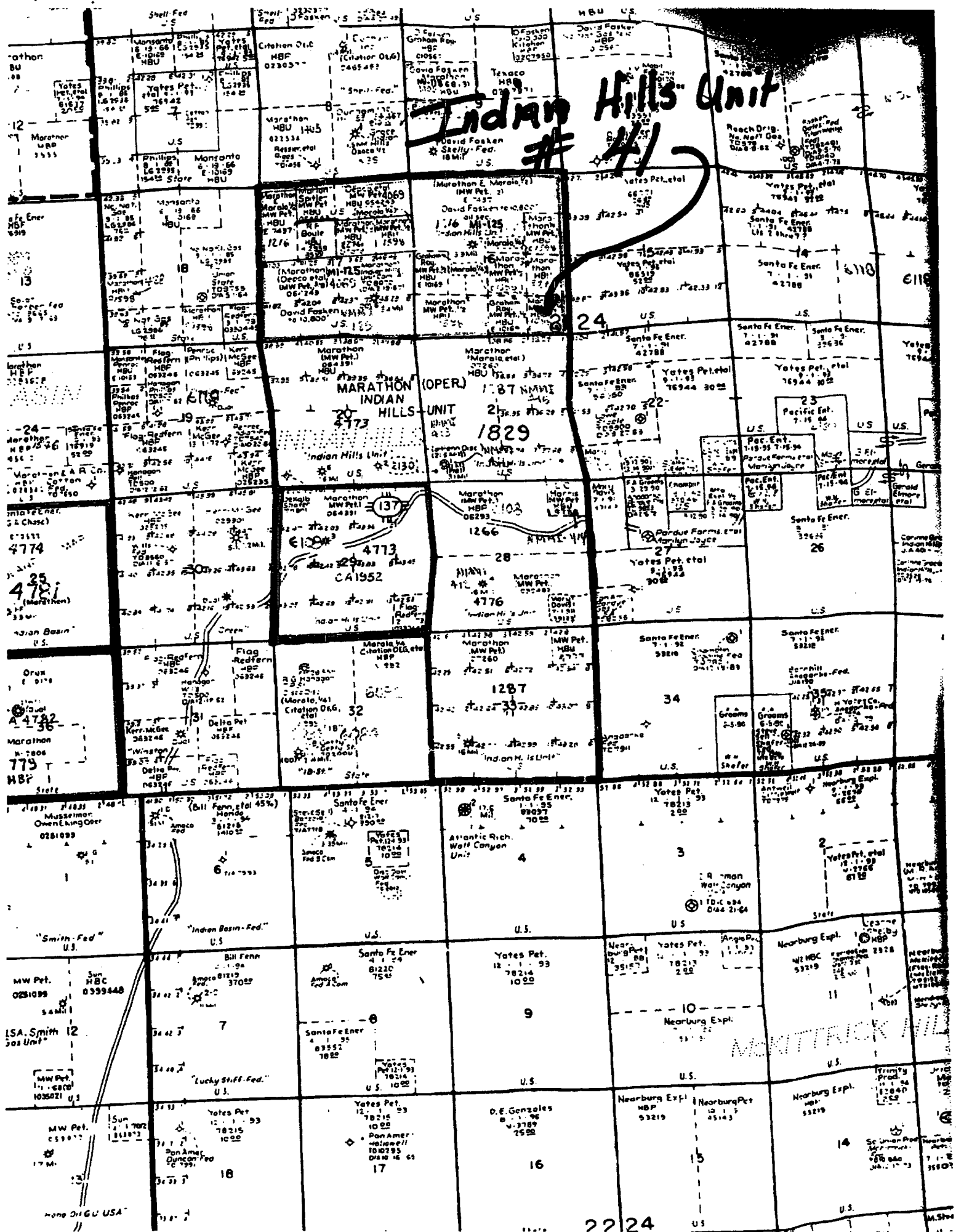
8815.19 8500.00 1998.20S 228.90W TD IHU 41

Targets associated with this wellpath

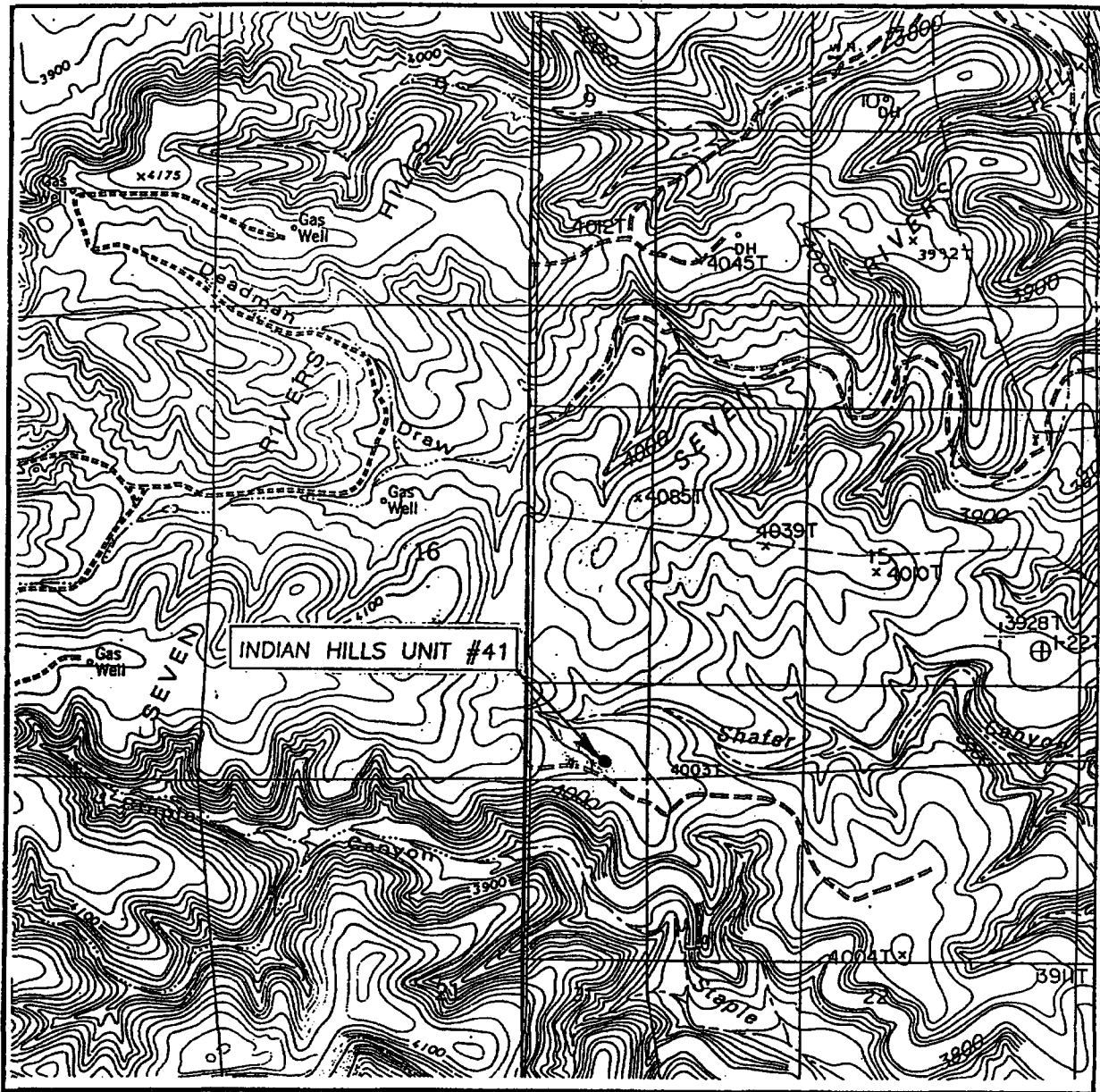
=====

Target name Geographic Location T.V.D. Rectangular Coordinates Revised

TD IHU 41 449301.800,533568.000,0.00000 8500.00 1998.20S 228.90W 1-Oct-2002



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'
AZOTEA PEAK, N.M
MARTHA CREEK, N.M

SEC. 16 TWP. 21-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 199' FSL 524' FEL

ELEVATION 4017'

OPERATOR MARATHON OIL COMPANY

LEASE INDIAN HILLS UNIT

U.S.G.S. TOPOGRAPHIC MAP
AZOTEA PEAK, & MARTHA CREEK, N.M

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

Topographic map of Indian Hills Unit #41. The map shows the Pecos River flowing through the region, with Seven Rivers and Indian Hills prominently labeled. Key landmarks include Roaring Springs, Bubbling Spring, and Major Johnson Springs. The map is overlaid with a grid showing coordinates R.24 E., R.25 E., R.26 E. and T.20 S. A box labeled 'INDIAN HILLS UNIT #41' is centered on the map. Other features include the Pecos River, Seven Rivers, Indian Hills, and various landmarks like Roaring Springs, Bubbling Spring, and Major Johnson Springs.

LEASE INDIAN HILLS UNIT

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

FFR 2-0 7004

OGDARTESIA

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM07260
2. Name of Operator MARATHON OIL COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 3487 HOUSTON, TX 77253-3487	3b. Phone No. (include area code) Ph: 713.296.2096 Fx: 713.499.6750	7. If Unit or CA/Agreement, Name and/or No. NMNM70964X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 16 T21S R24E SESE 199FSL 524FEL		8. Well Name and No. INDIAN HILLS UNIT 41
		9. API Well No. 30-015-32539-00-X1
		10. Field and Pool, or Exploratory INDIAN BASIN UPPER PENN ASSOC
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

11/04/2003 Setting of surface casing submitted in detail on well spud sundry.
11/05/2003 RIH w/ 8.75" bit tagged cement at 1730' drilled out cement to 1800'
Drilled formation from 1800' to 1895' started directional kickout at 1895' drilled to 2150'.
11/06/2003 through 11/16/2003 Directional drilled 2150' to 7911'.
11/17/2003 Drilled 7911' to 8219. Lost complete returns, dry drilled from 8219 to 8733' (TD).
11/18/2003 Made conditioning trip to run casing.
11/19/2003 Washed and reamed to TD @ 8800'. Condition hole to run casing.
Ran 7.0" K55 23 & 26# in the following design top to bottom.
2 jts 7" 26# K55
100 jts 7" 23# K55
49 jts 7" 26# K55
DV Tool N80

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

Electronic Submission #27827 verified by the BLM Well Information System
For MARATHON OIL COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by ARMANDO LOPEZ on 02/17/2004 (04AL0102SE)

Name (Printed/Typed) CHARLES KENDRIX

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 02/13/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**

ALEXIS C SWOBODA
PETROLEUM ENGINEER

Date 02/18/2004

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.

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

Additional data for EC transaction #27827 that would not fit on the form

32. Additional remarks, continued

ECP N80
37 jts 7" 26# K55
Float collar
1 jt 7" 26# K55
Float shoe

cont 11/19/2003 Cement Production casing

1st stage: Pumped 50,000 SCF N2, 10 bbls 10% CaCl water, 10 bbl fresh water, 100 sacks Foamed Acid Soluble Cement mixed at 15.0 ppg., 2.55 cuft/sk yeild, 170 sks Foamed Premium Cement @ 15.2 ppg, 1.25 cuft/sk yield, 120 sacks Super H Cement @ 13.0 ppg, 1.68 cuft/sk yield. Dropped plug and displaced with 348 bbls fresh water. Bumped plug with 1500 psi. Set ECP, opened DV Tool circulated through DV tool.

2nd stage: Circulated through DV Tool returned dirty water and some N2. Pumped 10 bbls fresh water 750 sks Interfill C @ 11.9 ppg, 2.46 cuft/sk yield, 100 sks Premium Plus @ 14.8 ppg, 1.32 cuft/sk yeild, Dropped plug and displaced with 273 bbls fresh water. Bumped plug with 2830 psi, closed DV Tool.(Got cement returns at surface at full circulation started loosing returns with 20 bbls left to pump)

Set slips, cut off 7" casing installed 11" 3M x 7 1/16" 3M tubing head.

NMOCD

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No. NMNM70964X
2. Name of Operator MARATHON OIL COMPANY		8. Well Name and No. INDIAN HILLS UNIT 41
3a. Address P O BOX 3487 HOUSTON, TX 77253-3487		9. API Well No. 30-015-32539-00-X1
3b. Phone No. (include area code) Ph: 713.298.2096 Fx: 713.499.6750		10. Field and Pool, or Exploratory INDIAN BASIN UPPER PENN ASSOC
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 16 T21S R24E SESE 199FSL 524FEL		11. County or Parish, and State EDDY COUNTY, NM

RECEIVED

MAR - 4 2004

OCD-ARTESIA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Production Start-up
	<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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

12/01/2003 RIH w/ 6 1/8" bit and scraper on 2 7/8" tubing tagged at 7002' drilled out cement and DV tool. Cont RIH tagged PBTD @ 8698 (281 jts).
12/02/2003 Rigged up Baker Atlas perforated in six intervals w/ 4 shots per foot 147 ft w/ 588 shots total at depths as follows:
8140' - 8162'
8177' - 8236'
8289' - 8296'
8309' - 8314'
8348' - 8358'
8388' - 8432'
RIH w/ 7" PPI Packers.
12/03/2003 Rigged up HES Acidizers treat perms in 2' increments 78 settings w/ 100 gal per/ft 17%

14. I hereby certify that the foregoing is true and correct. Electronic Submission #27879 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 02/26/2004 (04LA0207SE)	
Name (Printed/Typed) CHARLES KENDRIX	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 02/26/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	(BLM Approver Not Specified) Title (ORIG. SGD.) ALEXIS C. SWOBODA	Date 03/02/2004
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.

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

Additional data for EC transaction #27879 that would not fit on the form

32. Additional remarks, continued

CCA sour acid total of 15,000 gals. RIH w/ RBP set and tested.
12/04/2003 Pull kill string. RIH w/ ESP and tubing unset RPB cont in hole with pump 271 jts 2 7/8
bottom of tubing set at 8490'. Bottom of pump assembly at 8647'.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____						6. If Indian, Allottee or Tribe Name	
2. Name of Operator MARATHON OIL COMPANY Contact: CHARLES KENDRIX E-Mail: cekendrix@marathonoil.com						7. Unit or CA Agreement Name and No. NMNM70984X	
3. Address P.O. BOX 3487 HOUSTON, TX 77253-3487				3a. Phone No. (include area code) Ph: 713.296.2096		8. Lease Name and Well No. INDIAN HILLS UNIT 41	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SESE Lot P 199FSL 524FEL Sec 21 T21S R24E Mer NMP At top prod interval reported below SENE Lot H 1592FNL 1193FEL Sec 21 T21S R24E Mer NMP At total depth SENE Lot H 1770FNL 1251FEL						9. API Well No. <div style="text-align: right;">30-015-32539</div>	
						10. Field and Pool, or Exploratory INDIAN BASIN U. PENN. ASSOC.	
						11. Sec., T., R., M., or Block and Survey or Area Sec 18 T21S R24E Mer NMP	
						12. County or Parish EDDY	
						13. State NM	
14. Date Spudded 11/01/2003		15. Date T.D. Reached 11/19/2003		16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 12/05/2003		17. Elevations (DF, KB, RT, GL)* <div style="text-align: center;">4017 GL</div>	

18. Total Depth:	MD TVD	8800 8457	19. Plug Back T.D.:	MD TVD	8898 8359	20. Depth Bridge Plug Set:	MD TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GAMMA RAY, DUAL SPACED NEUTRON, SPECTRAL DENSITY					22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)		

23. Casing and Liner Record *(Report all strings set in well)*

[illegible]

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	8490							

25. Producing Intervals



26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
INDIAN BASIN U. PENN. ASSOC.	8108	8432	8140 TO 8432		588	SIX INTERVALS 4 SHOTS /FT
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material	RECEIVED
8140 TO 8432	TREATED IN 2' INTERVALS W/100 GAL. 17% CCA SOUR PER FT. 15,000 GALS TOTAL	APR 08 71
		APR 08 71

28. Production - Interval A

Date First Produced 12/05/2003	Test Date 12/23/2003	Hours Tested 24	Test Production 	Oil BBL 324.0	Gas MCF 830.0	Water BBL 1014.0	Oil Gravity Corr. API	Gas Gravity	Production Method ELECTRIC PUMP SUB-SURFACE
Choke Size	Tbg. Press. Flowg. 240 SI	Csg. Press. 200.0	24 Hr. Rate 	Oil BBL 324	Gas MCF 830	Water BBL 1014	Gas:Oil Ratio 2562	Well Status PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production ▶	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
									APR 08 2004
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate ▶	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	OCB-ARTESIA

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #28336 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

EMMISSION #28330 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
UPPER PENN	8118	8442		SAN ANDRES GLORIETA YESO BONE SPRING WOLFCAMP CISCO	1119 2842 3028 5686 7354 8118

32. Additional remarks (include plugging procedure):

A COPY OF THE INCLINATION REPORT, DEVIATION SURVEY, AND LOGS WILL BE SENT TO THE BLM'S ROSWELL OFFICE.

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7 Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #28336 Verified by the BLM Well Information System.
For MARATHON OIL COMPANY, sent to the Carlsbad

Name (please print) CHARLES KENDRIXTitle AUTHORIZED REPRESENTATIVE

Signature _____ (Electronic Submission)

Date 04/05/2004

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

RECEIVED

APR 08 2004

* * * N A U T I C A L (V e r s i o n 4 . 0) * * *

Well: Indian Hills Unit #41

Target Azimuth: 199.76

Closure Direction: 200.00

Target TVD: 8450

200.00 ARTESIA

Calculation Method - Minimum Curvature

Measured Depth (ft)	Inclination (deg.)	Azimuth (deg.)	True Vertical Depth (ft)	Vertical Section (ft)	North/ South (ft)	East/ West (ft)	Closure (ft)	Build Rate (deg/ft)	Walk Rate (deg/ft)	Dogleg Severity (d/100')	Tool Face (deg)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	Tie-In Data				
100.00	0.49	218.11	100.00	0.41	-0.34	-0.26	0.43	0.005	2.181	0.49	gyro
200.00	0.26	302.53	200.00	0.76	-0.55	-0.72	0.91	-0.002	0.844	0.53	gyro
300.00	0.52	241.56	300.00	1.05	-0.64	-1.31	1.46	0.003	-0.610	0.45	gyro
400.00	0.43	150.84	399.99	1.63	-1.19	-1.53	1.93	-0.001	-0.907	0.68	gyro
500.00	0.23	128.20	499.99	1.94	-1.64	-1.19	2.02	-0.002	-0.226	0.24	gyro
600.00	0.20	88.58	599.99	1.95	-1.76	-0.85	1.96	0.000	-0.396	0.15	gyro
700.00	0.16	71.63	699.99	1.80	-1.71	-0.55	1.80	0.000	-0.170	0.07	gyro
800.00	0.13	40.39	799.99	1.60	-1.58	-0.34	1.62	0.000	-0.312	0.08	gyro
900.00	0.16	355.44	899.99	1.37	-1.36	-0.28	1.38	0.000	-0.450	0.11	gyro
1000.00	0.22	357.62	999.99	1.06	-1.03	-0.30	1.07	0.001	0.022	0.06	gyro
1100.00	0.36	359.33	1,099.99	0.59	-0.52	-0.31	0.60	0.001	0.017	0.14	gyro
1200.00	0.55	6.47	1,199.98	-0.17	0.27	-0.26	0.37	0.002	0.071	0.20	gyro
1300.00	0.58	24.69	1,299.98	-1.14	1.21	0.01	1.21	0.000	0.182	0.18	gyro
1400.00	0.73	26.61	1,399.97	-2.28	2.24	0.50	2.29	0.002	0.019	0.15	gyro
1500.00	0.95	23.55	1,499.96	-3.74	3.57	1.12	3.74	0.002	-0.031	0.22	gyro
1600.00	0.86	29.67	1,599.95	-5.30	4.98	1.82	5.30	-0.001	0.061	0.13	gyro
1700.00	0.76	50.29	1,699.94	-6.61	6.06	2.71	6.63	-0.001	0.206	0.31	gyro
1800.00	0.30	105.47	1,799.94	-7.20	6.41	3.47	7.29	-0.005	0.552	0.64	gyro
1875.00	0.34	358.67	1,874.94	-7.43	6.58	3.65	7.53	0.001	3.376	0.69	gyro
1950.00	1.58	210.81	1,949.93	-6.62	5.91	3.12	6.69	0.017	-1.971	2.50	mwd
2028.00	3.43	209.06	2,027.85	-3.26	2.95	1.43	3.28	0.024	-0.022	2.37	mwd
2091.00	4.57	208.30	2,090.69	1.08	-0.91	-0.67	1.13	0.018	-0.012	1.81	mwd
2155.00	5.50	206.90	2,154.45	6.65	-5.91	-3.22	6.73	0.015	-0.038	1.49	mwd
2218.00	7.20	203.10	2,217.06	13.60	-12.26	-8.09	13.69	0.027	-0.044	2.74	mwd
2281.00	9.20	202.40	2,279.41	22.57	-20.55	-9.56	22.66	0.032	-0.011	3.18	mwd
2345.00	10.90	200.90	2,342.43	33.73	-30.93	-13.67	33.82	0.027	-0.023	2.69	mwd
2407.00	12.40	202.00	2,403.15	46.24	-42.58	-18.25	46.33	0.024	0.018	2.45	mwd
2471.00	14.10	200.90	2,465.44	60.90	-56.24	-23.61	60.99	0.027	-0.017	2.69	mwd
2535.00	16.00	200.20	2,527.24	77.52	-71.80	-29.43	77.60	0.030	-0.011	2.98	mwd
2598.00	17.70	198.80	2,587.54	95.78	-89.01	-35.52	95.84	0.027	-0.022	2.77	mwd
2661.00	18.90	199.50	2,647.35	115.56	-107.70	-42.01	115.60	0.019	0.011	1.94	mwd
2723.00	19.90	198.90	2,705.83	136.15	-127.15	-48.78	136.18	0.016	-0.010	1.64	mwd
2787.00	19.90	198.90	2,766.01	157.93	-147.76	-55.84	157.96	0.000	0.000	0.00	mwd
2850.00	19.90	199.20	2,825.25	179.38	-168.03	-62.84	179.39	0.000	0.005	0.16	mwd
2914.00	19.20	198.90	2,885.56	200.79	-188.27	-69.83	200.80	-0.011	-0.005	1.10	mwd
2977.00	18.80	199.50	2,945.12	221.30	-207.64	-76.57	221.31	-0.006	0.010	0.71	mwd
3040.00	18.90	198.80	3,004.74	241.65	-226.87	-83.25	241.66	0.002	-0.011	0.39	mwd
3104.00	19.70	199.50	3,065.15	262.80	-246.85	-90.19	262.81	0.013	0.011	1.30	mwd
3166.00	20.30	200.20	3,123.41	284.01	-266.79	-97.39	284.01	0.010	0.011	1.04	mwd
3230.00	19.60	201.30	3,183.57	305.84	-287.21	-105.12	305.85	-0.011	0.017	1.24	mwd
3294.00	19.10	201.30	3,243.95	327.04	-306.97	-112.83	327.05	-0.008	0.000	0.78	mwd
3356.00	18.50	201.70	3,302.64	347.01	-325.56	-120.15	347.02	-0.010	0.006	0.99	mwd
3420.00	18.60	202.00	3,363.32	367.36	-344.46	-127.73	367.38	0.002	0.005	0.22	mwd
3483.00	19.20	203.10	3,422.92	387.74	-363.30	-135.56	387.77	0.010	0.017	1.11	mwd
3546.00	18.90	202.70	3,482.47	408.27	-382.24	-143.56	408.31	-0.005	-0.006	0.52	mwd
3608.00	19.10	200.60	3,541.09	428.44	-401.00	-151.00	428.49	0.003	-0.034	1.15	mwd
3672.00	19.70	200.30	3,601.46	449.70	-420.92	-158.43	449.75	0.009	-0.005	0.95	mwd
3736.00	20.30	199.50	3,661.60	471.59	-441.50	-165.88	471.64	0.009	-0.013	1.03	mwd
3799.00	20.30	198.50	3,720.69	493.44	-462.17	-172.99	493.49	0.000	-0.016	0.55	mwd
3862.00	19.30	197.10	3,779.96	514.77	-482.49	-179.52	514.80	-0.016	-0.022	1.76	mwd
3926.00	19.10	197.80	3,840.40	535.80	-502.56	-185.83	535.82	-0.003	0.011	0.48	mwd
3989.00	19.60	197.10	3,899.84	556.66	-522.48	-192.09	556.67	0.008	-0.011	0.87	mwd
4053.00	20.20	197.10	3,960.02	578.42	-543.30	-198.50	578.42	0.009	0.000	0.94	mwd

* * * N A U T I C A L (V e r s i o n 4 . 0) * * *

Well: Indian Hills Unit #41

Target Azimuth: 199.76
Target TVD: 8450

Closure Direction: 200

Calculation Method - Minimum Curvature

Measured Depth (ft)	Inclination (deg.)	Azimuth (deg.)	True Vertical Depth (ft)	Vertical Section (ft)	North/ South (ft)	East/ West (ft)	Closure (ft)	Build Rate (deg/ft)	Walk Rate (deg/ft)	Dogleg Severity (d/100')	Tool Face (deg)
4116.00	19.90	196.70	4,019.20	599.99	-563.97	-204.78	599.99	-0.005	-0.006	0.52 mwd	
4180.00	19.90	197.40	4,079.38	621.75	-584.79	-211.16	621.75	0.000	0.011	0.37 mwd	
4244.00	18.90	198.80	4,139.75	642.99	-605.00	-217.76	642.99	-0.016	0.022	1.72 mwd	
4307.00	18.90	198.80	4,199.35	663.40	-624.32	-224.34	663.40	0.000	0.000	0.00 mwd	
4369.00	19.40	198.50	4,257.92	683.73	-643.59	-230.84	683.73	0.008	-0.005	0.82 mwd	
4432.00	19.50	199.20	4,317.33	704.71	-663.44	-237.62	704.71	0.002	0.011	0.40 mwd	
4496.00	19.70	197.40	4,377.62	726.17	-683.82	-244.36	726.17	0.003	-0.028	0.99 mwd	
4559.00	19.90	198.10	4,436.89	747.49	-704.14	-250.86	747.50	0.003	0.011	0.49 mwd	
4622.00	20.10	198.20	4,496.09	769.03	-724.62	-257.58	769.04	0.003	0.002	0.32 mwd	
4686.00	20.50	197.80	4,556.12	791.23	-745.74	-264.44	791.23	0.006	-0.006	0.66 mwd	
4749.00	20.00	197.80	4,615.23	813.02	-766.50	-271.10	813.03	-0.008	0.000	0.79 mwd	
4813.00	19.90	198.50	4,675.38	834.85	-787.25	-277.90	834.86	-0.002	0.011	0.40 mwd	
4876.00	19.90	197.80	4,734.62	856.28	-807.63	-284.58	856.30	0.000	-0.011	0.38 mwd	
4939.00	19.70	197.40	4,793.90	877.61	-827.97	-291.04	877.63	-0.003	-0.006	0.38 mwd	
5002.00	20.00	197.80	4,853.16	898.98	-848.36	-297.51	899.01	0.005	0.006	0.52 mwd	
5072.00	19.80	198.50	4,918.98	922.80	-871.00	-304.93	922.83	-0.003	0.010	0.44 mwd	
5134.00	19.50	198.80	4,977.36	943.65	-890.75	-311.59	943.68	-0.005	0.005	0.51 mwd	
5197.00	18.70	199.90	5,036.90	964.26	-910.20	-318.42	964.29	-0.013	0.017	1.39 mwd	
5260.00	18.50	199.90	5,096.61	984.35	-929.10	-325.26	984.39	-0.003	0.000	0.32 mwd	
5324.00	18.80	198.80	5,157.25	1,004.82	-948.41	-332.04	1,004.85	0.005	-0.017	0.72 mwd	
5386.00	19.10	198.80	5,215.88	1,024.95	-967.47	-338.53	1,024.98	0.005	0.000	0.48 mwd	
5449.00	19.70	199.20	5,275.31	1,045.87	-987.25	-345.34	1,045.91	0.010	0.006	0.98 mwd	
5513.00	19.30	198.10	5,335.64	1,067.23	-1,007.49	-352.17	1,067.27	-0.006	-0.017	0.85 mwd	
5576.00	19.80	198.50	5,395.00	1,088.31	-1,027.51	-358.79	1,088.35	0.008	0.006	0.82 mwd	
5640.00	20.20	199.50	5,455.14	1,110.19	-1,048.20	-365.92	1,110.24	0.008	0.016	0.82 mwd	
5703.00	19.50	198.80	5,514.40	1,131.58	-1,068.41	-372.94	1,131.63	-0.011	-0.011	1.17 mwd	
5765.00	18.20	198.80	5,573.07	1,151.61	-1,087.37	-379.40	1,151.66	-0.021	0.000	2.10 mwd	
5828.00	17.90	197.80	5,632.97	1,171.13	-1,105.91	-385.53	1,171.18	-0.005	-0.016	0.68 mwd	
5890.00	18.60	200.20	5,691.86	1,190.54	-1,124.26	-391.86	1,190.59	0.011	0.039	1.66 mwd	
5954.00	18.50	201.30	5,752.53	1,210.89	-1,143.30	-399.07	1,210.94	-0.002	0.017	0.57 mwd	
6018.00	18.20	202.00	5,813.28	1,231.03	-1,162.02	-406.50	1,231.07	-0.005	0.011	0.58 mwd	
6080.00	18.30	199.20	5,872.16	1,250.44	-1,180.19	-413.33	1,250.48	0.002	-0.045	1.42 mwd	
6144.00	18.90	198.10	5,932.82	1,270.85	-1,199.53	-419.85	1,270.89	0.009	-0.017	1.09 mwd	
6207.00	19.60	197.10	5,992.29	1,291.60	-1,219.33	-426.13	1,291.65	0.011	-0.016	1.23 mwd	
6271.00	19.50	196.00	6,052.60	1,312.98	-1,239.86	-432.23	1,313.04	-0.002	-0.017	0.60 mwd	
6334.00	19.10	195.70	6,112.06	1,333.76	-1,259.89	-437.92	1,333.83	-0.006	-0.005	0.65 mwd	
6398.00	18.90	197.10	6,172.58	1,354.56	-1,279.88	-443.80	1,354.64	-0.003	0.022	0.78 mwd	
6462.00	18.60	198.50	6,233.18	1,375.12	-1,299.47	-450.09	1,375.21	-0.005	0.022	0.85 mwd	
6526.00	18.80	198.10	6,293.80	1,395.63	-1,318.95	-456.53	1,395.72	0.003	-0.006	0.37 mwd	
6589.00	18.50	198.10	6,353.49	1,415.77	-1,338.10	-462.79	1,415.87	-0.005	0.000	0.48 mwd	
6651.00	18.40	196.70	6,412.31	1,435.37	-1,356.82	-468.66	1,435.48	-0.002	-0.023	0.73 mwd	
6714.00	19.50	197.10	6,471.89	1,455.80	-1,376.39	-474.61	1,455.92	0.017	0.006	1.76 mwd	
6777.00	19.30	200.30	6,531.32	1,476.72	-1,396.21	-481.31	1,476.84	-0.003	0.051	1.72 mwd	
6839.00	18.80	199.60	6,589.92	1,496.95	-1,415.23	-488.22	1,497.07	-0.008	-0.011	0.89 mwd	
6903.00	18.80	198.80	6,650.51	1,517.58	-1,434.71	-495.00	1,517.70	0.000	-0.012	0.40 mwd	
6966.00	20.10	199.50	6,709.91	1,538.55	-1,454.52	-501.88	1,538.68	0.021	0.011	2.10 mwd	
7030.00	20.30	198.80	6,769.97	1,560.65	-1,475.40	-509.13	1,560.77	0.003	-0.011	0.49 mwd	
7093.00	19.50	199.90	6,829.21	1,582.09	-1,495.63	-516.23	1,582.22	-0.013	0.017	1.40 mwd	
7156.00	18.50	201.30	6,888.78	1,602.60	-1,514.83	-523.44	1,602.72	-0.016	0.022	1.74 mwd	
7220.00	18.20	200.90	6,949.53	1,622.74	-1,533.63	-530.70	1,622.85	-0.005	-0.006	0.51 mwd	
7284.00	19.60	202.00	7,010.07	1,643.46	-1,552.92	-538.28	1,643.57	0.022	0.017	2.26 mwd	
7348.00	21.20	203.10	7,070.06	1,665.74	-1,573.52	-546.85	1,665.83	0.025	0.017	2.57 mwd	
7411.00	20.20	204.80	7,128.99	1,687.95	-1,593.87	-555.88	1,688.02	-0.016	0.027	1.85 mwd	
7475.00	18.90	206.60	7,189.30	1,709.25	-1,613.17	-565.15	1,709.30	-0.020	0.028	2.24 mwd	

* * * N A U T I C A L (V e r s i o n 4 . 0) * * *

Well: Indian Hills Unit #41

Target Azimuth: 199.76

Closure Direction: 200

Target TVD: 8450

Calculation Method - Minimum Curvature

Measured Depth (ft)	Inclination (deg.)	Azimuth (deg.)	True Vertical Depth (ft)	Vertical Section (ft)	North/ South (ft)	East/ West (ft)	Closure (ft)	Build Rate (deg/ft)	Walk Rate (deg/ft)	Dogleg Severity (d/100')	Tool Face (deg)
7539.00	17.80	208.70	7,250.05	1,729.21	-1,631.02	-574.49	1,729.24	-0.017	0.033	2.01	mwd
7603.00	17.60	209.40	7,311.02	1,748.41	-1,648.03	-583.94	1,748.42	-0.003	0.011	0.46	mwd
7666.00	17.00	209.00	7,371.17	1,766.89	-1,664.38	-593.08	1,766.89	-0.010	-0.006	0.97	mwd
7729.00	16.90	209.40	7,431.43	1,785.01	-1,680.42	-602.04	1,785.01	-0.002	0.006	0.24	mwd
7793.00	17.30	207.30	7,492.60	1,803.61	-1,696.98	-610.97	1,803.61	0.006	-0.033	1.15	mwd
7857.00	18.00	201.30	7,553.59	1,822.93	-1,714.65	-618.93	1,822.93	0.011	-0.094	3.04	mwd
7919.00	17.70	198.10	7,612.61	1,841.93	-1,732.53	-625.34	1,841.93	-0.005	-0.052	1.65	mwd
7983.00	17.20	197.10	7,673.66	1,861.11	-1,750.82	-631.14	1,861.11	-0.008	-0.016	0.91	mwd
8045.00	17.00	197.80	7,732.92	1,879.32	-1,768.21	-636.61	1,879.32	-0.003	0.011	0.46	mwd
8108.00	16.50	198.10	7,793.25	1,897.47	-1,785.49	-642.20	1,897.47	-0.008	0.005	0.81	mwd
8800.00	16.50	198.00	8,456.75	2,093.92	-1,972.35	-703.10	2,093.93	0.000	0.000	0.00	proj



McVAY DRILLING COMPANY
Post Office Box 924
Hobbs, New Mexico 88241
(505) 397-3311
FAX: 39-DRILL

Well Name and Number: Indian Hills Unit # 41

Location: Sec 16, T21S, R24E

Operator: Marathon

Drilling Contractor: McVay Drilling Company

The undersigned certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

Degrees @ Depth		Degrees @ Depth		Degrees @ Depth	
1/4	319	19 1/4	3294	18 1/2	5954
1/4	624	19 3/4	3608	18 1/4	6080
1/2	933	20 1/2	3799	19 1/2	6271
1/2	1239	18 3/4	4307	18 1/2	6589
1/2	1552	19 3/4	4496	21 1/4	7347
3/4	1777	20	4622	17 3/4	7539
3 1/2	2028	19 3/4	4813	17	7665
4 1/4	2091	19 3/4	4939	18 1/4	7855
5 1/4	2155	20	5002	16 1/2	8108
1/4	2281	18 1/2	5260		
16	2535	19	5386		
19 3/4	2850	20 1/4	5640		
19 3/4	3104	17 3/4	5828		

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APR 08 2003

GEB-ARTESIA

Drilling Contractor: McVay Drilling Company

By: [Signature]

Subscribed and sworn to before me this 25th day of November, 2003

[Signature]
Notary Public

My Commission Expires: 8-16-05

Lea County, New Mexico

4/9/2004

Wellbore Diagram

r263

30-015-32539-00-00

INDIAN HILLS UNIT No. 041

Company Name: MARATHON OIL CO

Location: Sec: 16 T: 21S R: 24E Spot:

String Information

Lat/Long: Lat: 32.4723376630961 Long: -104.49747

Property Name: INDIAN HILLS UNIT

County Name: Eddy

Cement Information

Perforation Information

Formation Information

St Code	Formation	Depth
Psa	San Andres	1119
Pgl	Glorieta	2842
Py	Yeso Formation	3026
Pbs	Bone Spring	5666
Pwc	Wolfcamp	7354
Ppupp	Upper Pennsylvanian Undesign	8118

Hole: Unknown

TD: 0

TVD: 0

PBTD: 0

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator name and Address Marathon Oil Company P.O. Box 3487 Houston, Texas 77253-3487		2 OGRID Number 14021
4 API Number 30-0 15-32539		3 Reason for Filing Code/Effective Date NEW
5 Pool Name INDIAN BASIN UPPER FERN ASSOCIATED		6 Pool Code 33685
7 Property Code 006409	8 Property Name INDIAN HILLS UNIT	9 Well Number 41

II. Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
P	16	21S	24E		199	NEL	524	NEL	EDDY

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	21	21S	24E		1770	NEL	1251	NEL	EDDY

12 Lsc Code P	13 Producing Method Code P	14 Gas Connection Date 12/05/2003	15 C-129 Permit Number	16 C-129 Effective Date	17 C-129 Expiration Date
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III. Oil and Gas Transporters

18 Transporter OGRID	19 Transporter Name and Address	20 POD	21 O/G	22 POD ULSTR Location and Description
138648	AMOCO PIPELINE TRUCKS 502 N. WEST AVENUE LEWELLAND, TEXAS 79336	2816323	OIL	UL "P", SECTION 19, T-21-S, R-24-E
14035	MARATHON OIL COMPANY P.O. BOX 1324 ARTESIA, NEW MEXICO 88211-1324	2829026	GAS	UL "N", SECTION 17, T-21-S, R-24-E

RECEIVED
APR 08 2004
OCB-ARTESIA

IV. Produced Water

23 POD	24 POD ULSTR Location and Description
2829027	UL "P", Section 19, T-21-S, R-24-E, Eddy county, New Mexico

V. Well Completion Data

25 Spud Date	26 Ready Date	27 TD	28 PBTD	29 Perforations	30 DHC, MC
11/01/2003	12/05/2003	8800	8698	8140 -- 8432	

31 Hole Size	32 Casing & Tubing Size	33 Depth Set	34 Sacks Cement
12.250	9.625	1800	1300
8.750	7.00	8800	1275

VI. Well Test Data

35 Date New Oil	36 Gas Delivery Date	37 Test Date	38 Test Length	39 Tbg. Pressure	40 Csg. Pressure
12/05/2003	12/05/2003	12/23/2003	24	240	200
41 Choke Size	42 Oil	43 Water	44 Gas	45 AOF	46 Test Method
N/A	324.0	1014.0	830		Pumping

47 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: **Charles E. Kendrick**

Printed name:
Charles E. Kendrick

Title:
Engineering Technician

Email:
cekendrick@marathonoil.com

Date: **04/05/2004**

Phone: **713-296-2096**

OIL CONSERVATION DIVISION

Approved by:

Jim M. Brown

Title:

District Supervisor

Approval Date:

APR 09 2004

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32539	² Pool Code 33685	³ Pool Name INDIAN BASIN UPPER PENN ASSOCIATED
⁴ Property Code 6409	⁵ Property Name INDIAN HILLS UNIT	⁶ Well Number 41
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 4017'

10 Surface Location


UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	21-S	24-E		199'	South	524'	East	NDY

11 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
G	21	21-S	24-N		2450'	North	2350'	East	Rocky

12 Dedicated Acres 320 E/2	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
IN A SINGLE TRANSACTION THAT HAS BEEN APPROVED BY THE BUREAU

<p style="text-align: center;">GENERAL INFORMATION NAID 22 HME DATE Y=422000.2 N X=410000.7 E</p> <p style="text-align: center;">UTM=422000.2 N LONG=410000.7 E</p>	<p style="text-align: center; font-size: 24px;">RECEIVED</p> <p style="text-align: center; font-size: 18px;">JAN 10 2005</p> <p style="text-align: center;">OOD-ARTERIA</p>
	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p>I hereby certify that the information furnished herein is true and accurate to the best of my knowledge and belief.</p> <p style="text-align: center; font-size: 24px;"><i>MM Mick</i></p> <p style="text-align: center;">Signature: <i>Mike Mick</i></p> <p style="text-align: center;">Printed Name: <i>Adv. Sr. Eng. Tech</i></p> <p style="text-align: center;">Date: <i>12-16-04</i></p>
<p style="text-align: center;">SECTION 22 SECTION 21</p>	<p style="text-align: center;">SUPERVISOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plan was plotted from field notes of known accuracy and that the location is correct to the best of my knowledge.</p> <p style="text-align: center; font-size: 24px;">SEPTEMBER 30, 2002</p> <p style="text-align: center;">Date Signed: <i>REX 12/15/04</i> or</p> <p style="text-align: center;">Signature & Seal of District Supervisor</p> <p style="text-align: center; font-size: 24px;">04.13.1847</p> <p style="text-align: center;">Certificate No. <i>0000000000</i> 2004</p>
<p style="text-align: center;">CU Y=422000.2 N X=410000.7 E</p> <p style="text-align: center;">LAT=32.404000° N LONG=104.502000° W</p>	