

Stogner, Michael

From: Stogner, Michael
Sent: Tuesday, October 02, 2001 4:19 PM
To: Tom Kellahin (E-mail)
Subject: Marathon's Indian Hills Well No. 30

KRVO-122048777

Per our telephone conversation earlier today, it is my understanding that Marathon's Indian Hills Unit Well No. 6 was recently recompleted up-hole into the Atoka formation; therefore, the only well completed in the Indian Basin-Morrow Gas Pool within Section 20 (being a standard 631.54-acre gas spacing unit) is Marathon's Indian Hills Unit Well No. 25. You will send me written verification of this when you receive it.

As is our new policy in processing administrative filings, this information will be needed in order for it to be complete. As of today this filing is considered incomplete. Please reply by Tuesday, Oct. 9th.

Thank you.

10-2-2001



State of New Mexico
OIL CONSERVATION COMMISSION

From

MICHAEL E. STOGNER
PETROLEUM ENGINEER

Memo

To

Talked w/ Tom Kellahan
who claims that the
No. 6 well in "N/K" ~~has~~
been resampled up-hole into
the ~~Albora~~ ~~Permian~~ formation.
Will be verifying this
info.

P.O. BOX 2088
LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
505-827-5611

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2285

SANTA FE, NEW MEXICO 87504-2285

October 2, 2001

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

Via Facsimile

Mr. Michael E. Stogner
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Indian Hills Unit Well No. 30
BHL of 1364 feet FNL & 1578 feet FWL
SHL of 1494 feet FSL & 688 feet FWL
All of Section 20, T21S, R24E
Administrative Application of Marathon Oil Company
for Approval of an Unorthodox Gas Well Location,
Eddy County, New Mexico

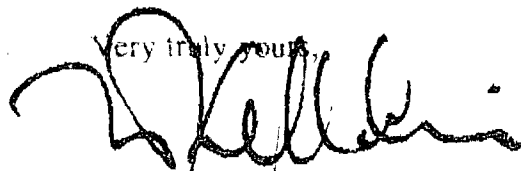
Dear Mr. Stogner:

In accordance with our telephone conversation this afternoon, I am providing supplemental data concerning the status of the Indian Hills Unit Well No. 6 and whether this well would constitute a third Morrow gas well in the Section which would not be permitted by the Indian Basin-Morrow Gas Pool rules.

Mr. Steve Millican, [915-687-8306] Marathon's petroleum engineer responsible for this area, has forwarded to me the enclosed data showing that the Morrow formation in Well No. 6 was abandoned in August, 1996 and then recompleted to the Atoka formation in March 1999.

Marathon's records reflect only the Indian Hills Unit Well No. 30 and No. 25 would be dedicated to Morrow production in Section 20. Please call me if you need anything further.

Very truly yours,



W. Thomas Kellahin

Enc: Marathon Oil Company
Attn: Steve Millican

Southern Business Unit
Domestic Production



P.O. Box 552
Midland, TX 79702-0552
Telephone 815/882-1626

October 2, 2001

W. Thomas Kellahin
Kellahin & Kellahin
El Patio Building
117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

RE: Indian Hills Unit Well No. 6

Dear Tom:

As per our conversation this afternoon, I have been able to confirm that the Indian Hills Unit Well No. 6 was mistaken filed as a Morrow recompletion after a March 1999 workover. The well was actually completed in the Atoka formation. On June 1, 2001, Ginny Larke submitted pool correction notices to both the New Mexico Oil Conservation Division (NMOCD) in Artesia and the Bureau of Land Management (BLM) in Roswell.

In order to help clarify the well history, I have made a plot of the production from Indian Hills Unit Well No. 6. This plot is annotated with comments that explain what formation is producing at any given time. I was unable to locate a copy of a C-102 for the Atoka formation and therefore had Jerry Fletcher prepare a new copy. In addition, I have included the corrective filings made to the BLM for information purposes.

Below is a summary of the attachments included with this letter:

- 1.) Indian Hills Unit Well No. 6 Well/Production History
- 2.) Letter, dated June 1, 2001, from Ginny Larke to Tim Gum, NMOCD, Artesia
- 3.) Form C-104, submitted 6/1/01, correcting pool name to Atoka
- 4.) Form C-102, dated 10/02/01, showing well location & dedication of Atoka
- 5.) Form C-102, dated 10/16/87, original filing to drill the Indian Hills Unit #6
- 6.) Letter, dated June 1, 2001, from Ginny Larke to Gary Gourley, BLM, Roswell
- 7.) BLM Form 3160-4, submitted 6/1/01, correcting pool code to Atoka
- 8.) BLM Form 3160-5, submitted 6/1/01, correcting pool code to Atoka

Please contact me at (915) 687-8306 if there is any additional information that I may provide if further clarification is required.

Respectfully,

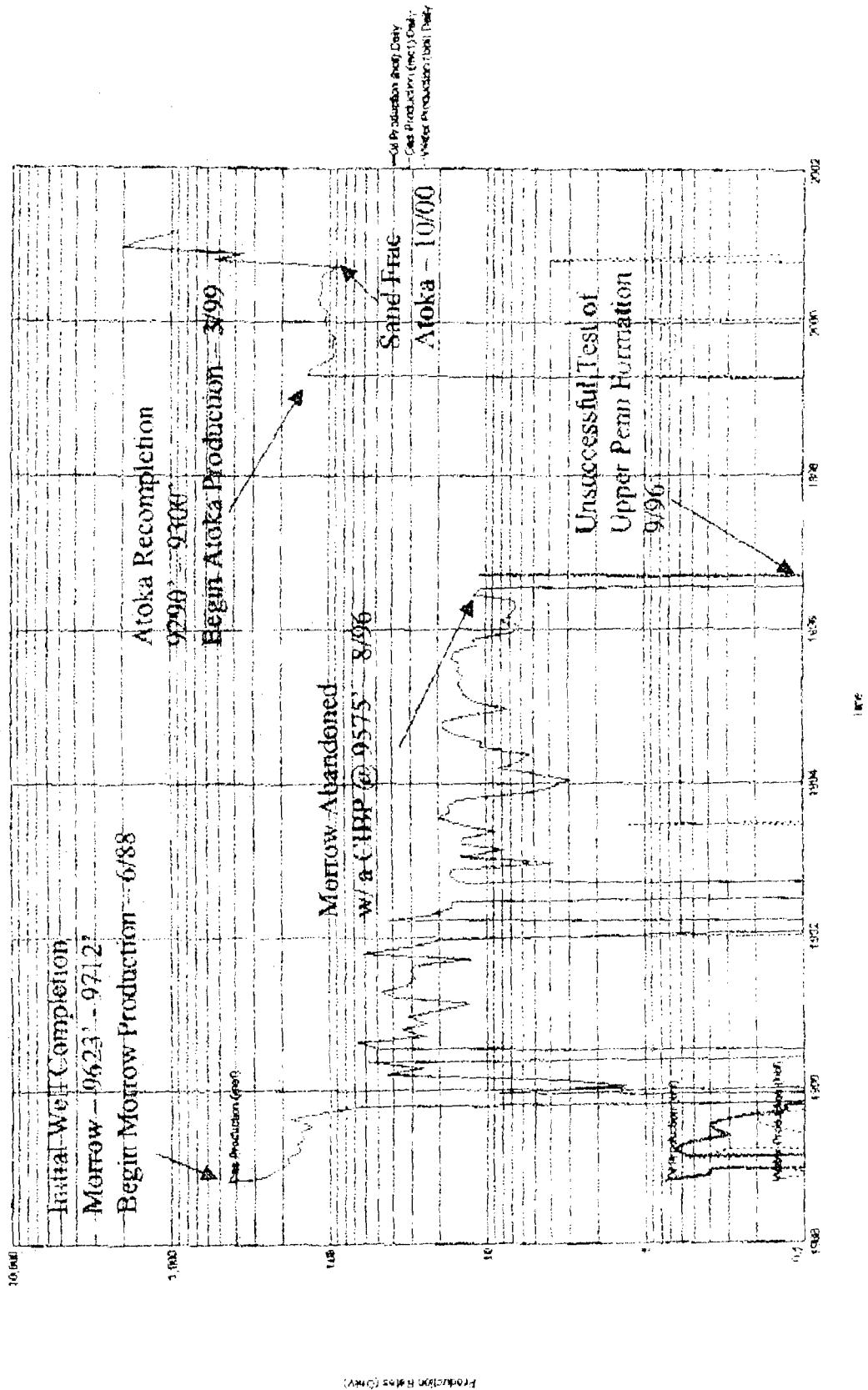
A handwritten signature in black ink, appearing to read 'SMillican'.

Steven F. Millican
Operations Engineer
Marathon Oil Company

A subsidiary of USX Corporation

Indian Hills Unit Well No. 6 History

INDIAN HILLS UNIT - BROWN BASIN



Southern U.S. Business Unit
Domestic Production



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

June 1, 2001

New Mexico Oil Conservation Division
Attn: Mr. Tim Gum
811 South First Street
Artesia, New Mexico 88210

Dear Mr. Gum,

Per our phone conversation of May 31, 2001, I am sending you the corrected completion forms for the Indian Hills Unit Well No. 6 Atoka completion. As we discussed, I was under the impression that the Atoka formation in this area was a part of the Morrow reservoir. Attached you will find a corrected completion form for this well along with a copy of the sundry notice that was originally sent in, and a corrected C-104.

Please let me know if I need to turn in any other forms to get everything corrected. I appreciate your help and understanding in this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Ginny Larke'.

Ginny Larke
Engineer Technician

Attachments

cc: Gary Gourley
Bureau of Land Management

A subsidiary of USX Corporation

☒ AMENDED REPORT

Oct 02 01 05:50p

MARATHON OIL

915-378-2028

p. 6

DISTRICT I

P.O. Box 1800, Hobbs, NM 88241-1800

DISTRICT II

P.O. Drawer 20, Artesia, NM 88211-0020

DISTRICT ID

1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV

P.O. Box 2000, Santa Fe, NM 87504-2000

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form O-102

Revised February 10, 1995

Submit to Appropriate District Office

State Lease - 4 Copies

Fed Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-25827	Pool Code 78920	Pool Name Indian Basin Atoka (Gas)
Property Code 6409	Property Name Indian Hills Unit	Well Number 6
OCRD No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3753' G.C.

Surface Location

UL or lot No.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
N	20	21-S	24-E		560	SOUTH	1550	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
K	20	21-S	24-E		1803	SOUTH	1857	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320 W/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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Jerry Fletcher Printed Name Engineer Tech. Title 10/02/01 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 knowledge and belief. Date Surveyed Signature & Seal of Professional Surveyor Certificate No.

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-101
Superintendent
Effective 1-1-84

All distances must be from the outer boundaries of the section.

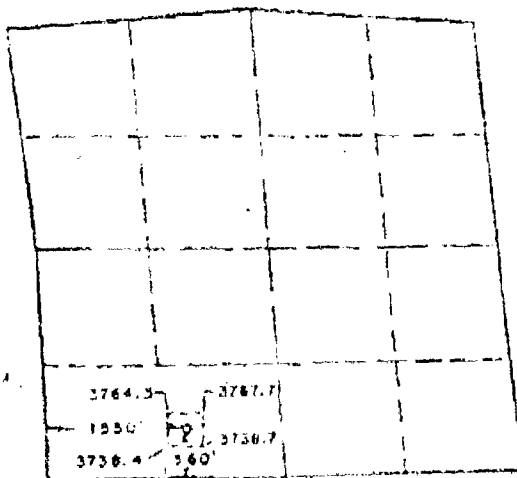
Operator MARATHON OIL COMPANY			Lease INDIAN HILLS UNIT		Well No. 6
Unit Letter N	Section 20	Township 21 SOUTH	Range 24 EAST	County EDDY	
Actual Footage Location of Well					
560 feet from the SOUTH line and		1550 feet from the WEST line			
Ground Level Elev. 3752.7'	Producing Formation Morrow	Pool Morrow	Dedicated Acreage 640 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



SCALE 1" = 2000'



CERTIFICATION

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

Terry L. Rivers

Name

Terry L. Rivers

Position

Dist. Oil Superintendent

Company

Marathon Oil Company

Date

October 28, 1987

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.

Date Surveyed

OCTOBER 16, 1987

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eldon

Certificate No. JOHN W. WEST 61

Ronald J. Eldon 32

Southern U.S. Business Unit
Domestic Production



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

June 1, 2001

Bureau of Land Management
Attn: Mr. Gary Gourley
2909 West Second Street
Roswell, New Mexico 88201

Dear Mr. Gourley,

It has come to my attention that I have filed completion forms for a well that had been recompleted in the Atoka formation as being in the Indian Basin Morrow Gas Pool. I was under the impression that the Atoka formation in the Indian Basin area was a part of the Morrow reservoir. I called Tim Gum, District Manager of the Oil Conservation Division in Artesia to confirm this, and He told me that the Atoka is not a part of the Morrow reservoir, and that I needed to send in corrected completion forms. Attached you will find the corrected completion form, 3160-4, for the Indian Hills Unit Well No. 6 Atoka completion along with the corrected sundry notice and a copy of the sundry notice that was originally sent in.

Please let me know if I need to turn in any other forms to get your records on this well corrected. Thank you for your help and understanding in this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Ginny Larke'.

Ginny Larke
Engineer Technician

Attachments

A subsidiary of USX Corporation

Oct 02 01 05:52p

MARATHON OIL

915-378-2020

p. 8

Form 7160-4
(July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE
OPERATOR'S COPY
(Set other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

3. LEASE DESIGNATION AND SERIAL NO.

LC-064391-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐
 5. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR ☒ OTHER ☐ **COMPLETION**

2. NAME OF OPERATOR

Marathon Oil Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 552, Midland, TX 79702

915-685-1626

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

At surface

UL "N", 560' PSL & 1550' PNL

At top prod. interval reported below

UL "N", 1722' PSL & 1797' PNL

At total depth

OL "N", 1804' PSL & 1930' PNL

14. PERMIT NO.

DATE ISSUED

13. DATES PUDDLED

16. DATE T.D. REACHED

17. DATE COMPL (Ready to prod.)

2/26/99

18. ELEVATIONS (DE, RKB, RT, GK, ETC.)*

OL 3753 KB 3769

19. BLEV CASING HEAD

20. TOTAL DEPTH, MD & TVD

9820' MD

21. PLUG BACK T.D. MD & TVD

9565' MD

22. IF MULTIPLE COMPL. HOW MANY*

NO

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*

MD 9290'-9300' ATOKA

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

27. WAS WELL CORED

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT (LB/FT)	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
See		Original	Completion	Report	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8"	9155'	9122'

31. PERFORATION RECORD (Interval, size and number)

9290'-9300' 6 SPF

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)

AMOUNT AND KIND OF MATERIAL USED

9290'-9300'

NO STIMULATION

33. PRODUCTION

DATE FIRST PRODUCTION: 3/14/99 PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump): FLOWING WELL STATUS (Producing or shut-in): Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD. FOR TEST PERIOD	OL - BBL	GAS - MCF	WATER - BBL	GAS - OIL RATIO
3/14/99	24	34/64		0	154	0	N/A

FLOW TEMPER. PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OL - BBL	GAS - MCF	WATER - BBL	GR - GRAVITY - API (CORR)
140	0					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

(SOLD)

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Garry Gourley

TITLE Engineer Technician

GARY GOURLEY

PETROLEUM ENGINEER

DATE 6/1/01

* (See Instructions and Spaces for Additional Data on Reverse Side)

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.

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1000-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

OPERATOR'S COPY

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)

915-682-1626

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

UL "N", 560' FSL & 1850' FWL

Section 20, T-21-S, R-24-E

5. Lease Serial No.

46-064391-H

6. If Indian, Allottee or Tribe Name

7. If Unit or CAV Agreement, Name and/or No.
Indian Hills Unit

8. Well Name and No.

Indian Hills Unit #6

9. API Well No.

30-022-25827

10. Field and Pool, or Exploratory Area
Indian Basin Atoka (Gas)

11. County or Parish, State

Baldy

NM

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☒
- Acidize
- ☐
- Deepen
- ☒
- Production (Start/Resume)
- ☐
- Water Shut Off
-
- ☐
- Acid Gas
- ☐
- Fracture Treat
- ☐
- Reclamation
- ☐
- Well Integrity
-
- ☐
- Cement Repair
- ☐
- New Construction
- ☐
- Recomplete
- ☒
- Other
- REPT. ATOKA
-
- ☐
- Change Plans
- ☐
- Plug and Abandon
- ☐
- Temporarily Abandon
- AND REPT. WELL ABAND.
-
- ☐
- Convert to Injection
- ☐
- Plug Back
- ☐
- Water Disposal
- ON PRODUCTION

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 shall be filed within 90 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-8 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.)

CORRECTION!! RESERVOIR NAME CHANGE ONLY.

Work commenced 2/10/99. NMRU PU. NO BOP & Torus. POOH w/ 2-7/8" tbg. RIH w/4-3/4" bit on 5-1/2" casing scraper. RIH to 9102' & washed to 9125'. PU swivel & drilled to 9142'. POOH w/bit & scraper. RIH w/4-1/2" CN magnet to retrieve lost bit tubes. Tagged @ 9145' & washed to solid bottom @ 9157'. POOH w/magnet & 1 cone. RCH w/ magnet, tagged @ 9157' & washed to 9190' & POOH recovering 2nd cone. RIH w/bit & DCs on 2-7/8" tbg. Tagged @ 9190' & washed to 9575' w/no returns. Drilled from 9240' to 9428'. Circ. & POOH 1/D DCs. RIH w/perf gun, RU wireline & ran GR/OCL. Spaced out guns & perfed 9290' to 9300' w/6 apf for a total of 60 holes. RIH w/prod. tbg & PLS packer. Couldn't get below 9107'. PUH to 9055'. Set packer. NO BOP & NO trees. RU swab unit & swabbed well. RD PU & turned well to production 2/26/99.

original
approved
Hary
see the record
for date stamp

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

Girny Larke

Title

Engineering Technician

Date 6/1/01

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, 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.