

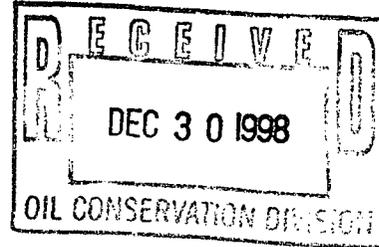
Mid-Continent Region  
Production United States



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

December 14, 1998

Mr. Mike Stogner  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Department  
P.O. Box 2088  
Santa Fe, New Mexico 87501-2088



Re: **Request for Non - Standard Location**  
**Indian Hills Unit # 18**  
**Unit "O" 409' FSL & 2324' FEL**  
**Section 20, T-21-S, R-24-E**  
**Eddy County, New Mexico**

Dear Mr. Stogner,

Enclosed for your review is form 3160-3 Application for Permit to Drill for the above referenced well. Marathon proposes to drill the well to test the Indian Basin Upper Pennsylvanian Associated Pool which currently requires wells to be spaced on 320 acre proration units and setback limits of 660' from exterior boundaries. Marathon currently has only one well drilled to this gas pool in this section, well # 2.. The Indian Hills Unit # 2 was drilled by Ralph Lowe in 1965. The well was staked at 660' FSL & 1750' FEL, Section 20, T-21-S, R-24-E. See Exhibit "A", 1965 surveyors plat. A dependent re-survey was made in 1966 and filed and approved by the BLM on 1/28/70. The dependent re- survey caused an eastward shift in the interior sections of this township. Please note surveyors plat Exhibit "B" which certifies the current position of the Indian Hills Unit Well # 2 at 409' FSL & 2276' FEL. This well currently has an open hole completion with 5 1/2" casing to the Upper Pennsylvanian and is not capable of economic production at this time with the current hole geometry. Marathon has staked the referenced well 52' east to comply with Bureau of Land Management's policy of minimizing construction damage to steep hillsides within the East Indian Basin / Azotea Mesa development area. The Bureau has recommended that Marathon locate its proposed well on a site that has been previously disturbed and to limit any further damage to the steep terrain. Please note Exhibit "C", topographic map, there are no other practical standard locations in this section that would adhere to the BLM's order. A possible drillsite exists in the NE/4 of Section 20 but the logistics of removing the products from the top of the mesa to the production facility makes the location impractical and would require that significant damage be done to the steep terrain for pipelines and power lines.

Marathon proposes to abandon the lower producing zone in the # 2 well, and drill the # 18 as an replacement well to the Upper Pennsylvanian Associated Pool which currently requires wells to be spaced no less than 660' from exterior boundaries wells and 330' from interior boundaries. The proposed location falls 409' from the south section line and 362' from the half-section line and is non-standard only to a Marathon lease, within the unit, adjacent to this section, to the South. See exhibit "D" for offset ownership.

Mr. Mike Stogner  
December 14, 1998  
Indian Hills Unit #18 - Page 2

Marathon requests Administrative Approval for this non-standard location as it directly offsets another Marathon lease within the Indian Hills Unit.

Should you have any questions please contact me at (800) 351-1417.

Very truly yours,

A handwritten signature in black ink, appearing to read "Walter J. Dueease". The signature is written in a cursive style with a long, sweeping horizontal line at the end.

Walter J. Dueease

NEW MEXICO OIL CONSERVATION COMMISS.  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

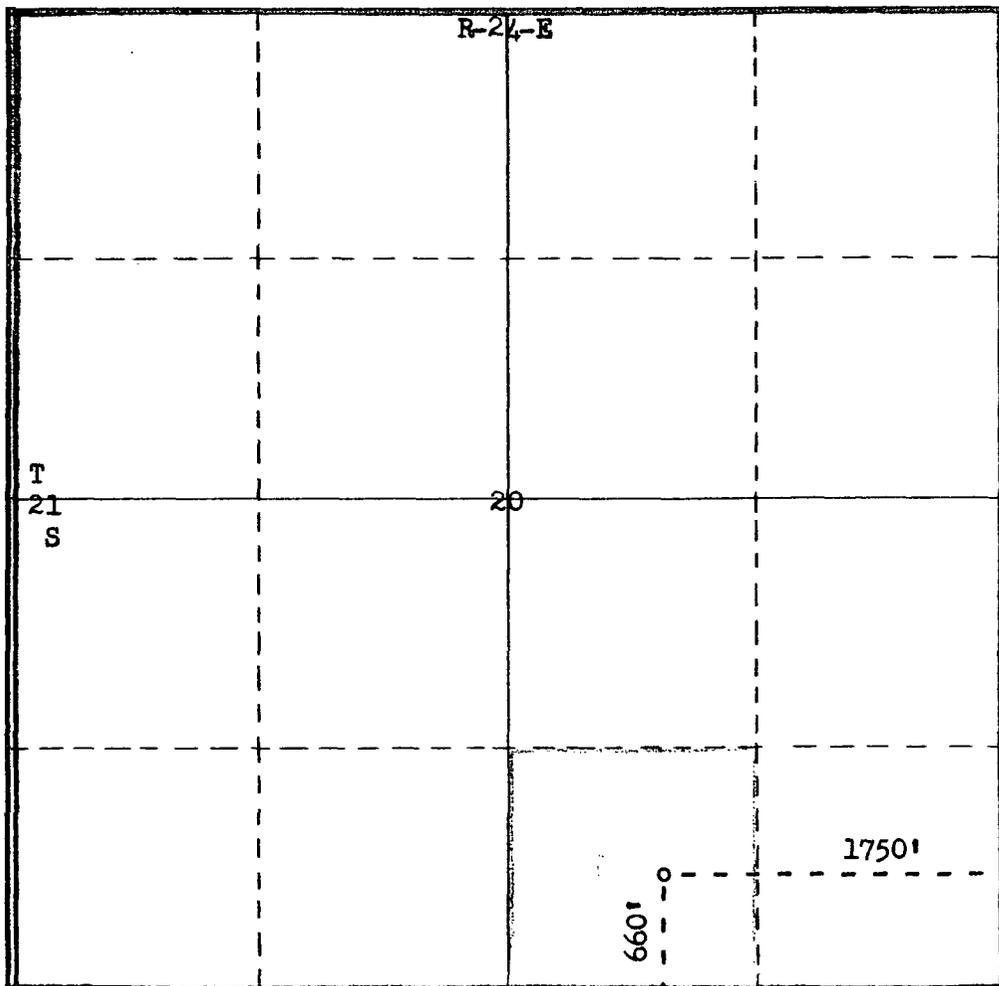
Operator <b>Ralph Lowe</b>		Lease <b>Indian Hills Unit</b>			Well No. <b>2</b>
Unit Letter <b>0</b>	Section <b>20</b>	Township <b>T-21-S</b>	Range <b>R-24-E</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>South</b> line and <b>1750</b> feet from the <b>East</b> line					
Ground Level Elev: <b>3770</b>	Producing Formation <b>(Upper Penn)</b>		Pool <b>Indian Basin - Upper Penn</b>	Dedicated Acreage: <b>640</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 Federal Unit

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.



<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>C. W. Murray</i>	
Name	<b>C. W. Murray</b>
Position	<b>Agent</b>
Company	<b>Ralph Lowe</b>
Date	<b>May 3, 1965</b>
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	<b>April 27, 1965</b>
Registered Professional Engineer and/or Land Surveyor	
<i>James H. Brown</i>	

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name INDIAN HILLS UNIT	
OGRID No.	Operator Name MARATHON OIL COMPANY	Well Number 2
		Elevation 3738

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	20	21 S	24 E		409	SOUTH	2276	EAST	EDDY

Bottom Hole Location If Different From Surface

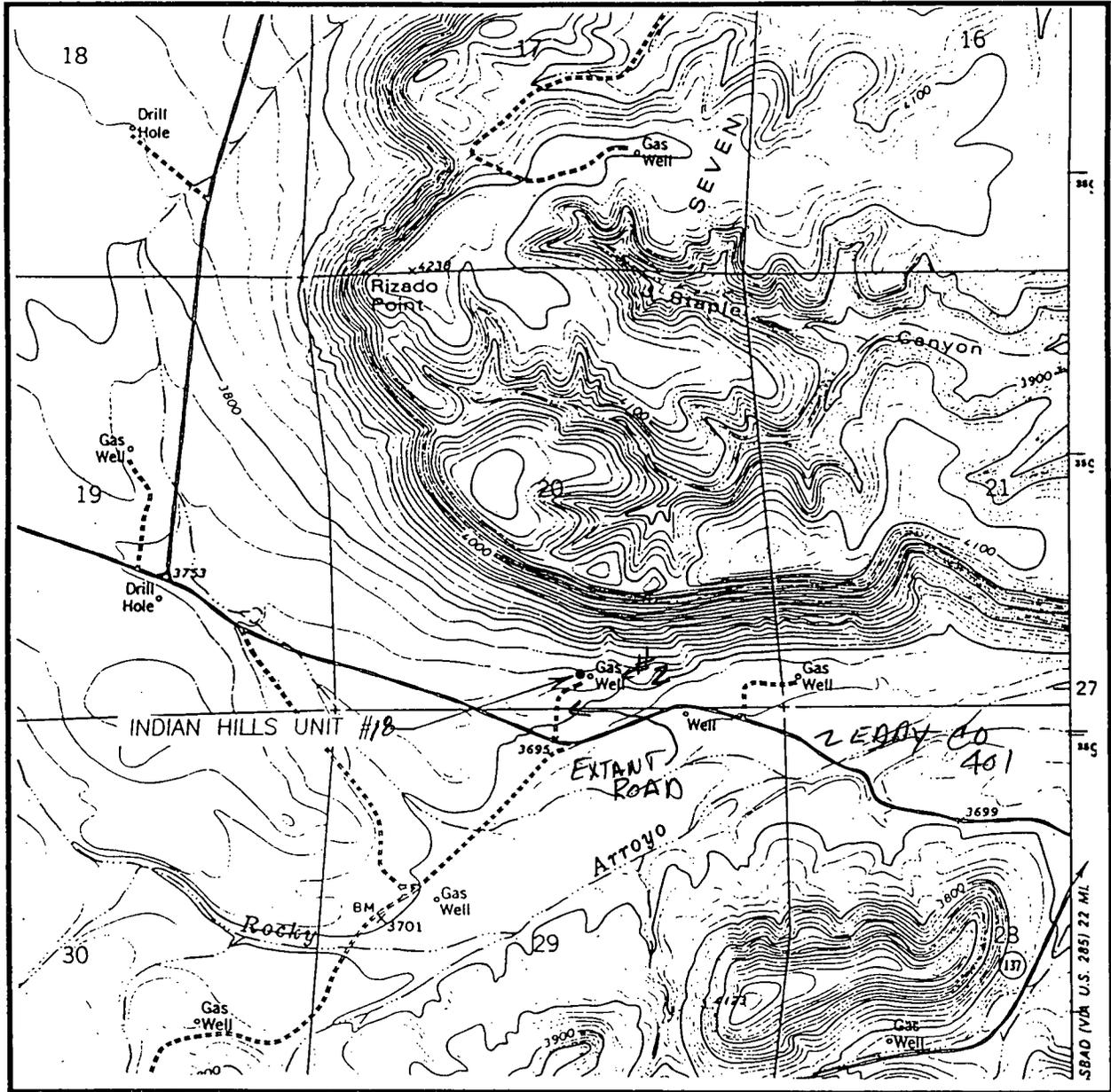
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	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><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>NOVEMBER 2, 1998</p> <p>Date Surveyed _____ DMCC</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p><i>Ronald C. Eidson</i> 12-10-98</p> <p>3239 88-11-1372</p>	
	<p>EXISTING WELL</p> <p>362'</p> <p>409'</p> <p>2276'</p>	
	<p>Certificate No. RONALD C. EIDSON 3239 GARY EIDSON 12641 MCDONALD 12185</p>	

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 20'

SEC. 20 TWP. 21-S RGE. 24-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY \_\_\_\_\_ EDDY

DESCRIPTION 409' FSL & 2324' FEL

ELEVATION 3739'

OPERATOR MARATHON OIL COMPANY

LEASE INDIAN HILLS UNIT

U.S.G.S. TOPOGRAPHIC MAP

MARTHA CREEK, NM

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

# R 24 E

18

17

16



15 J8A



6

YATES-ARCHIMEDES  
'ARE' ST.COM.

FASKIN-INDIAN HILLS  
UNIT GAS COM. 'A'

FASKIN-INDIAN HILLS UNIT

T  
21  
S

19



1

6

20

X BHL

21



2

⊕ SWD

TA



2

MOC-INDIAN HILLS UNIT



1



2

5



3

30

29

28

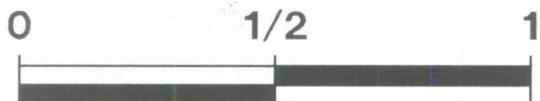
DEVON-MARTHA  
CREEK

MOC-INDIAN HILLS UNIT

MOC-INDIAN HILLS UNIT

- UNIT  
BOUNDARY

MARATHON OIL COMPANY  
MID-CONTINENT REGION



MILE

X

X

X

X

EDDY COUNTY, NEW MEXICO

X

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

State of New Mexico

Energy, Minerals and Natural Resources Department

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

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

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

OIL CONSERVATION DIVISION  
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name INDIAN HILLS UNIT	Well Number 18
OGRID No.	Operator Name MARATHON OIL COMPANY	Elevation 3739'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	20	21 S	24 E		409	SOUTH	2324	EAST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	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 style="text-align: center;"><b>320 AC PROPRATION UNIT</b></p>	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>NOVEMBER 2, 1998</p> <p>Date Surveyed _____ CDG</p> <p>Signature &amp; Seal _____</p> <p>Professional Surveyor</p> <p><b>RONALD S. EIDSON</b></p> <p>3833 Eudora 12-01-98</p> <p>68-11-1372</p> <p>Certificate No. RONALD S. EIDSON 3239 GARY EIDSON 12641</p>

*See Also Order Nos.*

*R-9922*

*R-9922-A*

*R-9922-B*

*R-9922-C*

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION  
FOR THE PURPOSE OF CONSIDERING:

**NOMENCLATURE**

CASE NO. 12006

ORDER NO. R-9922-D

APPLICATION OF MARATHON OIL COMPANY, YATES PETROLEUM CORPORATION, ORYX ENERGY COMPANY, DEVON ENERGY CORPORATION (NEVADA) AND SANTA FE ENERGY RESOURCES, INC. FOR THE EXPANSION OF THE INDIAN BASIN-UPPER PENNSYLVANIAN ASSOCIATED POOL AND THE CONCOMITANT CONTRACTION OF THE INDIAN BASIN-UPPER PENNSYLVANIAN GAS POOL, APPROVAL OF FOUR NON-STANDARD 320-ACRE GAS PRORATION UNITS, AN UNORTHODOX GAS WELL LOCATION, AND APPORTIONMENT OF GAS ALLOWABLES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 9, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of December, 1998, the Division Director, having considered the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The Indian Basin-Upper Pennsylvanian Gas Pool is a prorated gas pool currently governed by the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Gas Pool," as promulgated by Division Order No. R-8170, as amended, which require standard 640-acre spacing and proration units ("GPU") with wells to be located no closer than 1650 feet from the outer boundary of the GPU nor closer than 330 feet from any governmental quarter-quarter section line or subdivision inner boundary. The current gas allowable for the Indian Basin-Upper Pennsylvanian Gas Pool is approximately 6.5 MMCFG per day per GPU.

(3) The Indian Basin-Upper Pennsylvanian (Prorated) Gas Pool currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 3:	W/2
Section 4:	All
Sections 8 and 9:	All
Section 10:	W/2
Section 15:	W/2
Sections 16 through 30:	All
Sections 32 through 36:	All

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Sections 19 through 21:	All
Sections 28 through 32:	All

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Sections 1 through 5:	All
Sections 8 through 17:	All
Section 21:	N/2
Section 22:	All.

(4) The Indian Basin-Upper Pennsylvanian Associated Pool is currently governed by the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool*," as promulgated by Division Order No. R-9922, as amended, which require standard 320-acre oil and gas spacing units with wells to be located no closer than 660 feet from the outer boundary of the proration unit nor closer than 330 feet from any quarter-quarter section line or subdivision inner boundary, and with no more than one well per 80-acre tract to be drilled or produced on a standard proration unit. The special depth bracket allowable for the pool is 1,400 barrels of oil per day. The limiting gas-oil ratio for the pool is 7,000 cubic feet of gas per barrel of oil, which results in a casinghead gas allowable of 9.8 MMCFG per day.

(5) The Indian Basin-Upper Pennsylvanian Associated Pool currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 27:	S/2
Sections 33 and 34:	All.

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Sections 2 through 10: All  
Section 11: N/2  
Sections 16 and 17: All.

(6) The applicants, Marathon Oil Company, Yates Petroleum Corporation, Oryx Energy Company, Devon Energy Corporation (Nevada), and Santa Fe Energy Resources, Inc. seek an order expanding the Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 36: E/2

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Sections 20 and 21: All  
Sections 28 through 32: All

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Section 1: E/2  
Section 12: E/2  
Section 13: E/2

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Section 18: All

AND THE concomitant contraction of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 36: E/2

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Sections 20 and 21: All  
Sections 28 through 32: All

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Section 1: E/2  
Section 12: E/2  
Section 13: E/2.

(7) In conjunction with the proposed adjustment to the boundaries of the two subject pools, the applicants seek to establish the following four 320-acre, more or less, GPU's within the Indian Basin-Upper Pennsylvanian Gas Pool within Section 36, Township 21 South, Range 23 East, NMPM, and Sections 1, 12, and 13, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico:

(A) the W/2 of Section 36, comprising 320 acres, which is to be dedicated to the existing Lowe State Gas Com Well No. 1 (API No. 30-015-10342), located 1995 feet from the North line and 1712 feet from the West line (Unit F) of Section 36;

(B) the W/2 equivalent of Section 1, comprising 336.57 acres, on which there is currently no well;

(C) the W/2 of Section 12, comprising 320 acres, which is to be dedicated to the existing Smith Federal Gas Com Well No. 2 (API No. 30-015-26834) located 2049 feet from the North line and 480 feet from the West line (Unit E) of Section 12; and

(D) the W/2 of Section 13, comprising 320 acres, which is to be dedicated to the HOC Federal Gas Com Well No. 2 (API No. 30-015-26939) located 330 feet from the North and West lines (Unit D) of Section 13.

(8) The proposed acreage and pool rededication results in the Lowe State Gas Com Well No. 1 being only 928 feet from the outer boundary of its newly designated 320-acre gas proration unit. The resulting unorthodox gas well location for this well requires proper authorization pursuant to the appropriate rules and regulations governing the Indian Basin-Upper Pennsylvanian Gas Pool.

(9) On behalf of the applicants, Marathon Oil Company presented geologic, petroleum engineering, and oil and gas mineral ownership and land evidence, which demonstrates that this application should be granted and which is summarized as follows:

(A) In the Indian Basin area, the Upper Pennsylvanian interval contains multiple compartmentalized reservoirs, which are productive of oil, gas and water from several dolomitized horizons from the top of the Cisco formation to

the base of the Canyon formation.

(B) The Cisco/Canyon formations within the Indian Basin-Upper Pennsylvanian Gas Pool, including the extension area, and the Indian Basin-Upper Pennsylvanian Associated Pool were originally developed with flowing gas wells on 640-acre gas spacing such that, once the gas wells stopped flowing as a result of water encroachment, the wells were abandoned.

(C) The Indian Basin-Upper Pennsylvanian Gas Pool attained its maximum extension in the 1970s and, since then, water encroachment has advanced from east to west slowly watering out the flowing gas wells. Currently, flowing gas production occurs west of a structural contour line at minus 3300 feet subsea elevation.

(D) In 1992, Yates Petroleum Corporation reentered and recompleted the Hickory "ALV" Federal Well No 1 (API No. 30-015-10566), located 1650 feet from the North and West lines (Unit F) of Section 17, Township 22 South, Range 24 East, NMPM. Using the same high capacity pumps used in the nearby South Dagger Draw-Upper Pennsylvanian Associated Pool, Yates was able to achieve rates of 400 BOPD, 500 MCFGPD and 1200 BWPD in a former Indian Basin-Upper Pennsylvanian Gas Pool well which had previously been depleted. Thereafter the Division entered Order No. R-9922 and created the Indian Basin-Upper Pennsylvanian Associated Pool.

(E) The Cisco/Canyon formations within the Indian Basin-Upper Pennsylvanian Associated Pool and the extension area are in a structural feature separated from the Indian Basin-Upper Pennsylvanian Gas Pool by a structural saddle at the top of the Cisco at a subsea elevation of minus 3500 feet. New wells located within 320-acre spacing units in the Indian Basin-Upper Pennsylvanian Associated Pool and the extension area are now producing or have the potential to produce oil and gas that was not previously recovered when this area was originally developed as part of the Indian Basin-Upper Pennsylvanian Gas Pool.

(F) Current oil and gas production from the Cisco/Canyon formations in the Indian Basin-Upper Pennsylvanian Associated Pool and the extension area required extensive formation "de-watering." Hydrocarbons are mobilized by continuous movement of large volumes of water with artificial lift.

(G) Pressure data demonstrates that:

(i) the Indian Basin-Upper Pennsylvanian Associated Pool, with a pressure on average of 1600 psi, is not in pressure communication with the Indian Basin-Upper Pennsylvanian Gas Pool, which has a current pressure on average of 500 psi; and

(ii) wells in the extension area of Township 21 South, Range 24 East, NMPM, have a pressure related to the Indian Basin-Upper Pennsylvanian Associated Pool.

(H) Production data demonstrates that:

(i) there are no flowing gas wells in the extension area; and

(ii) old flowing gas wells in the extension area were abandoned when they watered out and new wells are attaining oil and gas production by using high capacity pumps.

(I) The division of Section 36, Township 21 South, Range 23 East, NMPM and Sections 1, 12, and 13, Township 22 South, Range 23 East, NMPM (the transition area) into non-standard 320-acre, more or less, gas proration and spacing units will provide an equitable "buffer" between the Indian Basin-Upper Pennsylvanian Gas Pool and the Indian Basin-Upper Pennsylvanian Associated Pool because:

(i) wells have been located or can be located such that drainage by wells in the Indian Basin-Upper Pennsylvanian Associated Pool can be met with counter drainage from wells located or to be located on the eastern side of each of the four 320-acre, more or less, non-standard gas spacing and proration units in the Indian Basin-Upper Pennsylvanian Gas Pool provided that wells located on the eastern side of these units can be no closer than 660 feet from the eastern boundary, which is also the setback requirement for wells in the Indian Basin-Upper Pennsylvanian Associated Pool; and

(ii) wells located in the Indian Basin-Upper Pennsylvanian Gas Pool will not suffer unfair competition from wells located or to be located in these four, non-standard gas proration units because allowables will be apportioned based upon the gas proration system adopted for the Indian Basin-Upper Pennsylvanian Gas Pool.

(J) The granting of this application should not impair the correlative rights:

(i) of any working interest owner within any of the existing 640-acre GPUs because there are voluntary joint operating agreements requiring that all those owners continue to share in production and pay costs from the new 320-acre spacing units on the same proportional basis as in the original 640-acre unit;

(ii) of any overriding royalty interest owner or the federal royalty under a federal oil and gas lease within any of the existing 640-

acre GPUs because there are federal communitization agreements requiring that all those owners continue to share in production from the new 320-acre spacing units on the same proportional basis as in the original 640-acre unit;

(iii) under Section 32, Township 21 South, Range 24 East, NMPM, which consists of two 320-acre State of New Mexico leases and is operated by Marathon Oil Company, because there are no overriding royalty owners and the State Land Office desires that the communitization agreement for the existing 640-acre proration unit terminate and be replaced by two 320-acre proration units co-extensive with the two State leases; and,

(iv) under Section 36, Township 21 South, Range 23 East, NMPM, which consists of two State of New Mexico leases and is operated by ORYX Energy Company, because there are no overriding royalty owners and the State Land Office desires that the existing 640-acre communitization agreement terminate and be replaced by two 320-acre communitization agreements.

(10) The evidence and testimony presented at the hearing further indicate that:

(A) The Cisco/Canyon formations within the Indian Basin-Upper Pennsylvanian Associated Pool and the extension area are a single structural feature such that wells located in this area should be subject to the same special rules and regulations.

(B) Geologic and petroleum engineering evidence demonstrate that substantial volumes of oil and gas, which otherwise would not be produced, can be economically recovered from the extension area if that area is subject to the

current rules applicable to the Indian Basin-Upper Pennsylvanian Associated Pool, thereby preventing waste.

(C) Making the extension area part of the Indian Basin-Upper Pennsylvanian Associated Pool will afford the opportunity to increase the de-watering process in the reservoir and improve recovery efficiencies for both oil and gas.

(D) The adoption of the four 320-acre, more or less, non-standard gas proration and spacing units will establish a temporary "buffer" or transition area between the Indian Basin-Upper Pennsylvanian Gas Pool and the Indian Basin-Upper Pennsylvanian Associated Pool, which at this time will establish equity and protect correlative rights.

(11) The applicants are all of the operators of wells in the extension area and they have met and unanimously agreed upon this application.

(12) In accordance with Division notification rules, notification of this application and request for hearing has been sent to the owners within the proposed expansion area and to the offset operators to each non-standard gas proration and spacing unit and no objections have been received by either the Division or Marathon Oil Company, which sent out these notices.

(13) In order to prevent waste, to prevent the drilling of unnecessary wells, to protect correlative rights and provide for a more orderly development of the Cisco/Canyon formations, it is necessary to do the following:

(A) contract the Indian Basin-Upper Pennsylvanian Gas Pool and expand the Indian Basin-Upper Pennsylvanian Associated Pool as described in Finding Paragraph No. 6;

(B) approve the four non-standard 320-acre, more or less, GPU's within the Indian Basin-Upper Pennsylvanian Gas Pool as described in Finding Paragraph No. 7; and,

(C) approve an unorthodox gas well location for the Lowe State Gas Com Well No. 1 located 1995 feet from the North line and 1712 feet from the West line (Unit K) of said Section

36.

(14) Marathon Oil Company, Santa Fe Energy Resources, Inc. and ORYX Energy Corporation were present at the hearing and Marathon Oil Company, on behalf of the applicants, provided technical land, geologic and engineering testimony concerning the reservoir and, these pools.

(15) No other operator and/or interest owner appeared at the hearing in opposition to the application.

(16) Approval of the applicant's request will allow the interest owners the opportunity to economically recover their share of the oil and gas in the subject pools, will not reduce ultimate recovery from the subject pools, and will not violate correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) The Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

**TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM**  
Section 36: E/2

**TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM**  
Sections 20 and 21: All  
Sections 28 through 32: All

**TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM**  
Section 1: E/2  
Section 12: E/2  
Section 13: E/2.

(2) Concomitantly, the Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein the following described area:

**TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM**  
Section 36: E/2

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Sections 20 and 21: All

Sections 28 through 32: All

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Section 1: E/2

Section 12: E/2

Section 13: E/2.

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Section 18: All.

(3) The following four 320-acre, more or less, GPU's within the Indian Basin-Upper Pennsylvanian Gas Pool within Section 36, Township 21 South, Range 23 East, and Sections 1, 12, and 13, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico, are hereby approved:

(A) the W/2 of Section 36, comprising 320 acres, which is to be dedicated to the existing Lowe State Gas Com Well No. 1 (API No. 30-015-10342), located at an unorthodox gas well location for the 320-acre GPU, 1995 feet from the North line and 1712 feet from the West line (Unit F) of Section 36;

(B) the W/2 of Section 1, comprising 336.57 acres, on which there is currently no well;

(C) the W/2 of Section 12, comprising 320 acres, which is to be dedicated to the existing Smith Federal Gas Com Well No. 2 (API No. 30-015-26834) located 2049 feet from the North and 480 feet from the West lines (Unit E) of Section 12; and,

(D) the W/2 of Section 13, comprising 320 acres, which is to be dedicated to the HOC Federal Gas Com Well No. 2 (API No. 30-015-26939) located 330 feet from the North line and 330 feet from the West line (Unit D) of Section 13.

(4) Any future well located in any of these four non-standard gas proration and spacing units no closer than 660 feet to the eastern boundary of the unit shall be considered

to be at a standard location.

(5) The apportionment of gas allowables for the four non-standard GPU's shall be accomplished by applying a 0.5 acreage factor to each of the non-standard GPU's.

(6) An unorthodox gas well location for the following well in the Indian Basin-Upper Pennsylvanian Gas Pool, which became unorthodox as a result of the change in pool boundary, is hereby approved: Lowe State Gas Com Well No. 1 located 1995 feet from the North line and 1712 feet from the West line and of Section 36, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

(7) The locations of all wells presently drilling to or completed in the Indian Basin-Upper Pennsylvanian Associated Pool within this expansion area are hereby approved; the operator of any well having an unorthodox location shall notify the Artesia District Office of the Division in writing of the name and location of the well within thirty days from the date of this order.

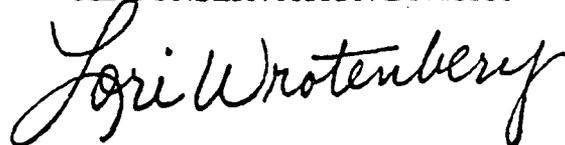
(8) Pursuant to Paragraph A of Section 70-2-18, NMSA (1978), contained in Chapter 271, Laws of 1969, existing wells in the Indian Basin-Upper Pennsylvanian Associated Pool within this expansion area shall have dedicated thereto 320 acres; or, pursuant to Paragraph C of Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

(9) Failure to file new Forms C-102 with the Division dedicating 320 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to being shut-in.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Director

SEAL

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

CONSERVATION DIVISION  
RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Designation and Serial No.

LC 064391 B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation  
Indian Hills Unit

8. Well Name and No.

Indian Hills Unit 2

9. API Well No.

30-015-10718

10. Field and Pool, or exploratory Area

Indian Basin Upper Penn

11. County or Parish, State

Eddy, NM

36 APR 25 AM 8 52

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

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

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

UL "O", 660' FSL & 1750' FEL  
SEC 20, T-21-S, R-23-E  
24

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Extend TA Status
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Marathon Oil Co is requesting extension of the TA status of this well. The casing integrity was tested 2/18/92. The well is in an area of development and has Indian Basin Upper Penn completion potential. If no economic reserves are found the well may have utility as a disposal well as development continues in the area.

RECEIVED

APR 18 1996

OIL CON. DIV.  
DIST. 2

TA APPROVED FOR 12 MONTH PERIOD  
ENDING 2/15/97

RECEIVED  
MAR 9 10 59 AM '96

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

Signed Thomas M. Puce

Title Adv. Eng. Tech

Date 3-7-96

(This space for Federal or State office use)

Approved by (ORIG. SCD) JOE G. LARA

Title PETROLEUM ENGINEER

Date 3/15/96

Conditions of approval, if any:

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION

Drawer DD  
Artesia, NM 88210

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

OIL CONSERVATION DIVISION  
RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other TEMPORARILY ABANDONED

APR 25 1994

2. Name of Operator

MARATHON OIL COMPANY

3. Address and Telephone No.

P.O. BOX 1324, ARTESIA, NM 88210 (505) 457-2621

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

UNIT 0; 660' FSL and 1750' FEL; SEC 20-T21S-R23E

24

5. Lease Designation and Serial No.  
LC 064391-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

INDIAN HILLS UNIT

8. Well Name and No.

INDIAN HILLS UNIT #2

9. API Well No.

30015106180000

10. Field and Pool, or Exploratory Area

INDIAN BASIN UPPER PENN

11. County or Parish, State

EDDY COUNTY, NM

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other REQUEST T.A. STATUS
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

- 1.) Attached is a copy of the 1992 test and chart.
- 2.) We would like to request temporary abandonment status on this well. Eventhough it is capable of producing at this time, the well is targeted for possible recompletion to evaluate the undeveloped oil potential in the Upper Penn Reservoir.

TR APPROVED FOR 12 MONTH PERIOD  
ENDING 4/1/95

RECEIVED  
MAR 18 10 27 AM '94  
CAREY AREA

I hereby certify that the foregoing is true and correct

Signed [Signature] Title GANG PUSHER

Date 3/15/94

(This space for Federal or State office use)

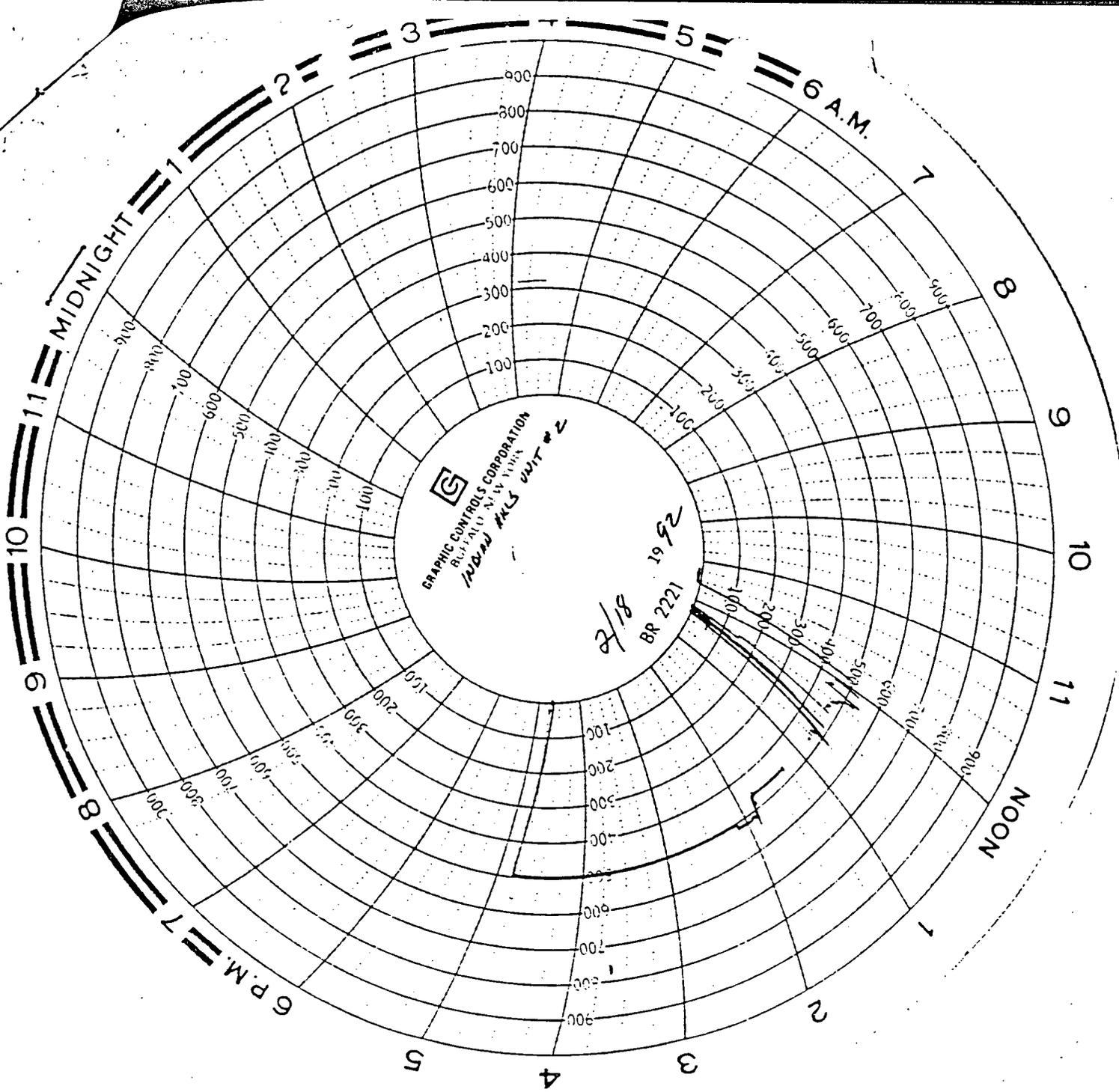
Approved by INDIC. GEN. JOE G. LARA Title PETROLEUM ENGINEER

Date 4/4/94

Conditions of approval, if any:

Section 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.

\*See Instruction on Reverse Side



RECEIVED  
 MAR 18 10 27 AM '94  
 GAIN  
 ARTS  
 LHS

MAR - 5 1992

5. Lease Designation and Serial No.  
LC 064391-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Indian Hills Unit

8. Well Name and No.

Indian Hills Unit #2

9. API Well No.

30015106180000

10. Field and Pool, or Exploratory Area

Indian Basin Upper Pe

11. County or Parish, State

Eddy County, NM

02 APR 13 AM 9:22  
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other Temporarily Abandoned

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 1324, Artesia, NM 88210 (505) 457-2621

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

Unit 0; 660' FSL and 1750' FEL; Sec 20-T21S-R23E

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Mechanical Integrity Test
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

See attachment for procedure

RECEIVED  
FEB 10 9 23 AM '92  
CARLSON RESOURCE  
AREA HEADQUARTERS

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

Signed Tim Winters Title Gang Pusher

Date 2/4/92

(This space for Federal or State office use)

Approved by David P. Glass Title PETROLEUM ENGINEER

Date 3/2/92

Conditions of approval, if any:

MECHANICAL INTEGRITY TEST PROCEDURE  
Indian Hills Unit No. 2  
Eddy County, New Mexico

DATE: February 17, 1992

PURPOSE: Run mechanical integrity test. (MIT)

ELEVATION: 3753' DF

TD: 7411'

SURFACE CASING: 13 3/8" set @ 235'.

INTERMEDIATE CASING: 9 5/8" set @ 3050'.

PRODUCTION CASING: 5 1/2" set @ 7372'.

TUBING: 2 3/8" set @ 7374'.

PACKER: TIW set @ 7411'.

SAFETY PRECAUTION: Monitor H<sub>2</sub>S at the wellhead while running test.

1. Notify BLM representative, Duncan Whitlock, 48 hours prior to running MIT. (BLM telephone number (505) 887-6544)
2. RU Service Company.
3. Test line and valves to 500 psig.
4. Install pressure gauges with pen records on casing annulus.
5. Fill tubing-casing annulus with 2% KCl water and pressure test to 500 psig.
6. Monitor pressure for 15 minutes.
7. RD Service Company.
8. Send pressure chart to Midland Production office.

TLW/all

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

RESERVOIR DIVISION  
RECEIVED

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Designation and Serial No.  
LC-064391-B  
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other Temporarily abandoned gas well  
2. Name of Operator  
Marathon Oil Company  
3. Address and Telephone No.  
P. O. Box 552, Midland, Texas 79702  
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec. 20, T21S, R24E  
660' FSL & 1750' FEL

SEP 21 '90

C. D.  
ARTESIA, OFFICE

7. If Unit or CA, Agreement Designation  
Indian Hills Unit  
8. Well Name and No.  
Indian Hills Unit #2  
9. API Well No.  
10. Field and Pool, or Exploratory Area  
Indian Basin (U. Penn)  
11. County or Parish, State  
Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Casing Integrity Test
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Marathon Oil Company performed a casing integrity test on the above referenced well on 8-22-90. Following is the procedure:

1. Notified Mr. Shannon Shaw of Bureau of Land Management 24 hrs. prior to commencement of casing integrity test.
2. Installed chart recorder on casing.
3. Rigged up kill truck and loaded backside with 2% KCl w/corrosion inhibitor.
4. Pressured up on casing/tubing annulus to +500 psig for +15 minutes.
5. Rigged down kill truck and chart recorder.

(Witnessed by BIM Representative Mr. James Amos)

APPROVED FOR 12 MONTH PERIOD

ENDING 9/1/91

RECEIVED  
SEP 17 8 22 AM '90  
CARSON AREA HEADQUARTERS

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

Signed Carl A. Baswell Title Engineering Technician Date 9-14-90

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title PETROLEUM ENGINEER Date 9-18-90  
Conditions of approval, if any:

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.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

MAR 26 1992

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

OIL CONSERVATION DIVISION  
RECEIVED

O. C. D.  
ARTESIA OFFICE

SUNDAY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other Temporarily Abandoned

2. Name of Operator

Marathon Oil Company ✓

3. Address and Telephone No.

P.O. Box 1324, Artesia, NM 88210 (505) 457-2621

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

Unit 0; 660' FSL and 1750' FEL; Sec 20-T21S-R23E <sup>24</sup>

5. Lease Designation and Serial No.

LC 064391-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Indian Hills Unit

8. Well Name and No.

Indian Hills Unit #2

9. API Well No.

30015107180000

10. Field and Pool, or Exploratory Area

Indian Basin Upper Penn

11. County or Parish, State

Eddy County, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Subsequent Report

Final Abandonment Notice

Abandonment

Recompletion

Plugging Back

Casing Repair

Altering Casing

Other Request T.A. Status

Change of Plans

New Construction

Non-Routine Fracturing

Water Shut-Off

Conversion to Injection

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

- 1) On February 18 this year the above mentioned well was tested for casing integrity.
- 2) The test proved integrity as witnessed by Mr. D. Whitlock.
- 3) We would like to request temporary abandonment status on this well.
- 4) Attached is a copy of the test chart.

APPROVED FOR 12 MONTH PERIOD  
ENDING 04-01-93

CARROLL COUNTY OFFICE  
RECEIVED  
MAR 25 11 31 AM '92

RECEIVED

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

Signed

Noel R. Day

Title

Plant Superintendent

Date

3/23/92

(This space for Federal or State office use)

Approved by

David P. Glass

Title

DEPARTMENT OF THE INTERIOR

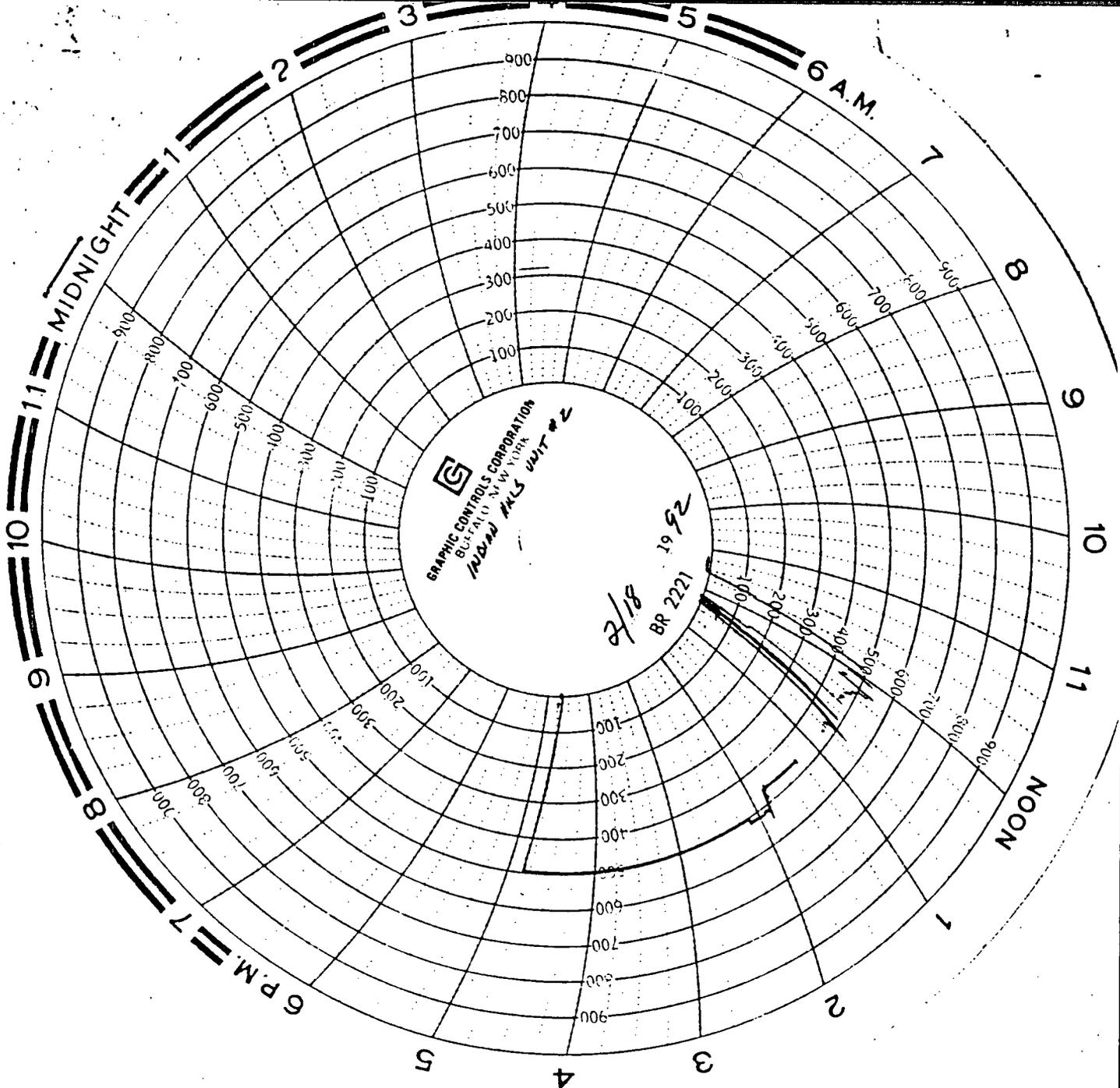
Date

3.27.92

Conditions of approval, if any:

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.

\*See Instruction on Reverse Side



DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)

Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL  
LC-064391-B

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL  GAS WELL  OTHER  Temporarily abandoned gas well

2. NAME OF OPERATOR: Marathon Oil Company

3. ADDRESS OF OPERATOR: P. O. Box 552, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.): At surface

660' FSL & 1750 FEL

14. PERMIT NO.: --

15. ELEVATIONS (Show whether DF, RT, CR, etc.): 3738' GL; 3753' DF

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME: Indian Hills Unit

8. FARM OR LEASE NAME: Indian Hills Unit

9. WELL NO.: 2

10. FIELD AND POOL, OR WILDCAT: Indian Basin (U Penn)

11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA: Sec 20, T-21-S, R-24-E

12. COUNTY OR PARISH: Eddy

13. STATE: NM

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) Casing Integrity Test

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) \*

Marathon Oil Company proposes to perform a casing integrity test on the above referenced well upon approval of Form 3160-5. Following is the procedure:

\* Marathon Oil Company respectfully requests permission to continue shut in status of this well for future evaluation.

1. Notify ~~Mr. Shannon Shaw~~ Bureau of Land Management at (505) 887-6544 at least 24 hrs prior to commencement of casing integrity test.
2. Install chart recorder on casing.
3. Rig up kill truck and load backside with 2% KCl w/corrosion inhibitor.
4. Pressure up on casing/tubing annulus to 500 psig and hold for 15 minutes.
5. Rig down kill truck and chart recorder. Return chart for submittal w/subsequent report.

NOTE: Tentative approval per telecon between Mr. Shannon Shaw and Mr. Carl Bagwell (Marathon) on 8-2-90.

18. I hereby certify that the foregoing is true and correct  
SIGNED J. R. Jenkins TITLE Hobbs Production Sup't. DATE 8-2-90

(This space for Federal or State office use)  
APPROVED BY Orig. Signed by Azam Salamah TITLE PETROLEUM ENGINEER DATE 8-16-90  
CONDITIONS OF APPROVAL, IF ANY:

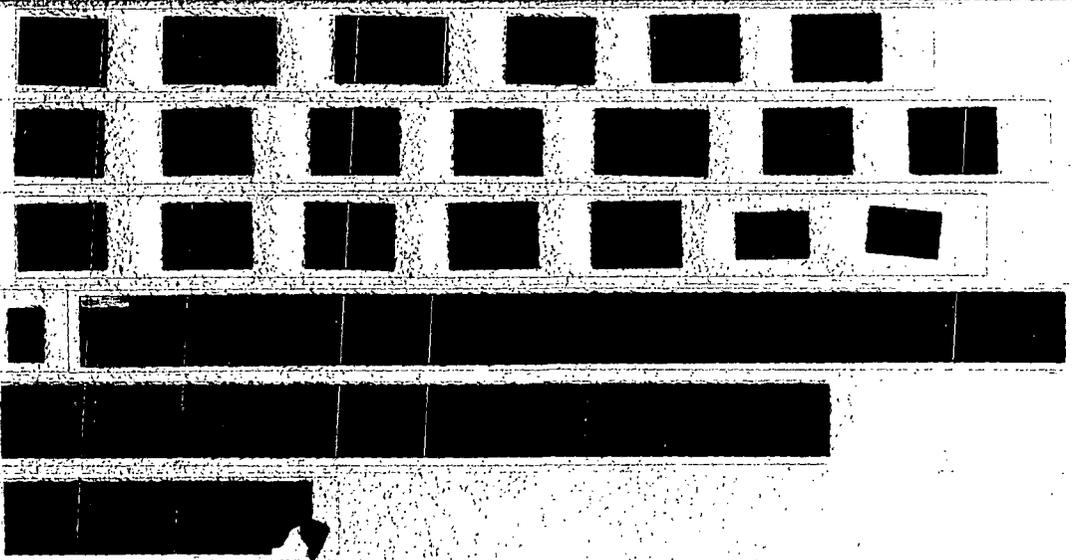
\*See Instructions on Reverse Side

Petroleum Information  
Corporation  
GEO-FICHE™

21S-24E-20- 15 (SW SE)  
NEW MEXICO NM

WELL: INDIAN HILLS UNIT 2  
OPER: MARATHON OIL  
CNTY: EDDY

API: 30-015-00000  
ISSUE: A07/87  
CARD: 1



CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/04/99 12:33:05  
OGOMES -TPGC  
PAGE NO: 1

Sec : 20 Twp : 21S Rng : 24E Section Type : NORMAL

4 38.99  Federal owned U	3 40.55  Federal owned U	2 38.93  Federal owned U	1 37.88  Federal owned U
5 37.95  Federal owned U	6 39.51  Federal owned U	7 39.39  Federal owned U	8 38.34  Federal owned U

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

78.32  
 76.22  


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 154.54  
 16  


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 314.54

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

01/04/99 12:33:16  
OGOMES -TPGC  
PAGE NO: 2

Sec : 20 Twp : 21S Rng : 24E Section Type : NORMAL

L 40.00  Federal owned U	K 40.00  Federal owned U	J 40.00  Federal owned U	I 40.00  Federal owned U
M 40.00  Federal owned U	N 40.00  Federal owned U A	O 40.00  Federal owned U A	P 40.00  Federal owned U

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12