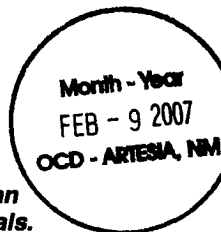


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



FORM APPROVED  
OMB NO. 1004-0137  
Expires March 31, 2007

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 3487 Houston, TX 77253-3487

3b. Phone No. (include area code)

713-296-2096

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

SHL 1511' FNL & 839' FEL, UL H, Sec 11, T-22-S, R-23-E

BHL 2053' FSL & 701' FEL, UL I, Sec 11, T-22-S, R-23-E

5. Lease Serial No.

NMM 0251099 A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Smith Federal No 4

9. API Well No.

30-015-32957

10. Field and Pool, or Exploratory Area

Indian Basin Upper Penn

11. County or Parish, State

Eddy NM

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

Squeeze Upper Penn

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 final site is ready for final inspection.)

Marathon Oil Company has completed operations to cement squeeze the Indian Basin Upper Penn in the Smith Federal No. 4. The well is currently shut in. Marathon plans to deepen the well when a rig becomes available. See attachment for details of operations to squeeze and abandon the Upper Penn formation.

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

Name (Printed/Typed)

Charles E. Kendrix

Title

Reg Compliance Representative

Date 02/05/2007

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.

Accepted for record - NMOCD

2/12/07

# **Smith Federal No. 4** **Cement Squeeze Upper Penn** **Prep for Deepening to Morrow**

12/01/06 MIRU PU. POOH w/ 2 7/8" tbg. PU bit & csg scraper. RIH on 2 7/8" tbg to fill @ 8406'. POOH w/ bit & scraper. RIH w/ 7" RTTS pkr on 80 jts 2 7/8" tbg. SI Well.

12/02/06 Cont in hole w/ RTTS to 8076'. Test float collar (fill) and tbg to 500 psi. PUH reset RTTS establish rate into Upper Penn perms f/ 7576' to 8016'. Release RTTS and POOH. PU EZ drill cement retainer. RIH and set at 7084'. L & T casing to 250 psi. Tested tbg in hole to 5000 psi. SI well.

12/03/06 Squeezed Penn perms 7576' - 8016' w/ 800 sks Premium cmt in 2 stages. Caught pressure during hesitations. Left 3,000 psi on squeeze. Stung out of retainer & POOH w/ 20 stands tbg. SI Well.

12/04/06 PU bit, DC's, tbg RIH to cmt retainer @ 7084'. PU power swivel. Broke circulation. Drilled and pushed cmt retainer to 7300' in 6 hrs. SI Well.

12/05/06 Resumed drilling on retainer. Drilled to 7640'. Tested open squeeze to 500 psi. Pressure bled off 260 psi in 15 min. SI well.

12/06/06 Resumed drilling out cmt. Fell through cement @ 7900' w/ bridges to 8016'. Circ to PBTD @ 8520'. Tested squeeze to 500 psi. Bled off in 2 min. SI well.

12/07/06 TOH w/ workstring, DC's, bit & scraper. PU RTTS. RIH to 7764'. Set RTTS. L&T to 500 psi, bled down to 100 psi in < 5 minutes. SI well.

12/09/06 Establish pump rate. Pump 75 sks Premium w/ microbonn & Halad 322 followed by 75 sks of tail cmt, Premium neat @ 15.2 lb/ gal. Displace cmt to perms w/ 46.25 bbls fresh water. Took 21 bbls to catch pressure. Pressured up to 4000 psi w/ full displacement. Watched pressure for 20 minutes. Shut down and bled back press to truck w/ no flow back. Released pkr. PUH 10 stands. Set RTTS @ 6850' and reversed out . Pressured back up on tbg to 3500 psi and left SI

12/11/06 Release RTTS & POOH w/ RTTS. RIH w/ bit, scraper, 6 DC's on 12 jts tbg. SI Well.

12/12/06 CIH w/ tbg. Tag top of cmt @ 7470'. Drill spuratic cmt to 7544'. Drill solid cmt f/ 7544' to 7760'. Circ clean. Tested well to 500 psi for 30 minutes no bleed off. SI Well.

12/13/06 Cont drilling 7760' to 8030'. Circ clean. Test to 500 psi. Lost 150 psi in 20 minutes. SI well.

12/14/06 POOH w/ drilling assembly. RIH w/ RTTS pkr w/ 12 jts tbg for tailpipe. RU Halliburton. Pump 90 sks cmt. PUH 6 stands. Reversed . PU 3 stands. Set RTTS. Pressure up on well & cmt to 3000 psi. Left 2000 psi on tbg. SI 12/15/06 POOH w/ RTTS pkr, with tail pipe. RIH w/bit, 6 4 3/4" DCs, on 80 stands 2 7/8" tbg. SI Well.

12/18/06 Cont. in hole w/ drilling assembly. Tag cmt @ 7760'. Drill out 60', & test. Lost 70 psi in 20 minutes. Reverse pump broke down. SI well.

12/19/06 Drill out to 8015'. Circ clean w/ 305 bbls fresh water. Close BOP test for injection rate=.85 bbl/min@ 2000 psi. SI well.

12/20/06 POOH w/ bit & collars. RIH w/ cmt retainer. Set retainer @ 7315'. RU Halliburton Cementers. Pumped 150 sks cmt. Cement locked up on displacement to 4000 psi. Sting out. TOH w/ 20 stds of tbg. SI Well

12/21/06 POOH w/ retrieval tool an tbg. RIH w/ bit & d collars. Tag retainer @ 7315'. PUH 1 jts. SI Well.

12/22/06 Drill out 7315' to 7760'. SI Well.

12/27/06 Drilled out f/ 7760' to 8020'. Circ well w/ fresh water. Pressure test squeeze perms to 520 psi, and held for thirty minutes. Had 31 psi bleed off. SI Well

12/28/06 Fluid level @ surface. Pooh w/ tbg. Laid down drill collars and bit. RIH w/ 40 stands tbg. SI Due hgh winds.

12/29/06 Cont in hole w/ workstring. ND BOP & NU Wellhead. RDMO PU. SI well pending drilling rig to deepen to Morrow.