

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCDA-ARTESIA
8007 3 - JUN 2008

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

S

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 ATTN: Charles E. Kendrix**

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)
Unit Letter D, 760 FSL & 760 FWL, Section 2, T-21-S, R-23-E

5 Lease Serial No
NM-04827-B

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No
North Indian Basin Unit

8 Well Name and No
North Indian Basin Unit #23

9 API Well No
30-015-28578

10 Field and Pool, or Exploratory Area
Indian Basin Morrow (78960)

11 County or Parish, State
Eddy

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> 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 type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports 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.)

See attached current wellbore diagram; 9-5/8" 36# csg @ 1,206', cemented to surface w/ 900 sx;
7" 23 & 26# csg set @ 8,015', cemented to surface w/ 1,150 sx (circulated 85 sx to surface thru DV tool)
4-1/2" liner 6,957 - 9,500' cemented w/ 200 sx cmt
Morrow perforations 9,275 - 9,334' (open). 2-3/8" L-80 tubing & PLS 10K packer set @ 9,182'

1. Notify BLM & NMOCD (Carlsbad). Set steel working pit. MIRU Basic Energy Services plugging equipment. NU BOP and POOH w/ production tubing and packer.

2. RIH w/ HM tbg-set CIBP @ 9,182'. Set CIBP @ 9,182'. Displace plugging and pump 25 sx C cmt @ 9,182'.

* 3. PUH w/ tubing to 7,007'. Pump 30 sx C cmt @ 7,007'.

* 4. Pump 30 sx C cmt @ 5,000'

* 5. Pump 30 sx C cmt @ 3,000'

* 6. Pump 30 sx C cmt @ 1,256 - 1,156' WOC & TAG

* 7. Pump 15 sx C cmt 60' to surface

8. Cut off wellhead & anchors, install dry hole marker. Leave location clean & clear of trash

* SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

James F. Newman, B.E.

Title **Engineer, Basic Energy Services**

Signature

Date

06/28/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

Date **JUL 2 2008**

JAMES A. AMOS

SUPERVISOR-EPS

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**Accepted for record
NMOCD**

North Indian Basin Unit No. 23

09/8/04

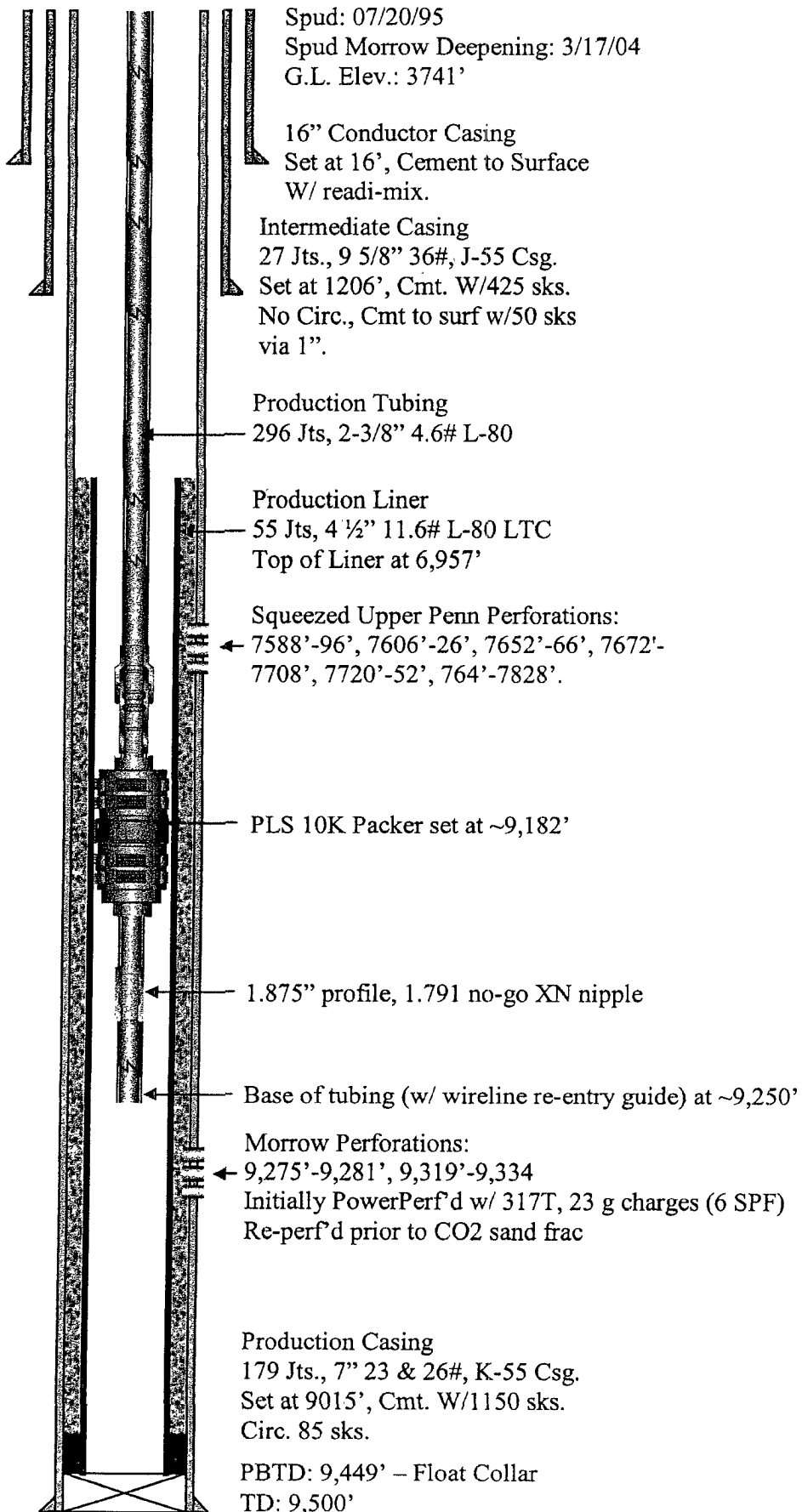
U.L. "D", 760' FNL, 760' FWL

Sec. 2, T-21-S, R-23-E

Eddy Co., N.M.

Lease No.: NM-04827-B

API No.: 30-015-28578



Accepted for record
 NMOCD

Marathon Oil Company
NMNM04827B; North Indian Basin Unit #23
760' FSL & 760' FWL Section 2, T.21 S., R.23 E.
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. OK as is.
2. OK as is.
3. Spot a balanced plug from 7042'-6872' (covers the top of liner). WOC and tag.
4. Spot a balanced plug from 6390'-6230' (covers the DV tool).
5. Spot a balanced plug from 5624'-5774' (covers the Wolfcamp top).
6. Spot a balanced plug from 4154'-4014' (covers Bone Spring top).
7. Spot a balanced plug from 2131'-2251' (covers the Glorieta top).
8. Spot a balanced plug from 1258'-1156' (covers 9-5/8" shoe). WOC and tag.
9. Perforate 7" casing at 250', attempt to squeeze adequate cement to circulate cement to surface in/out of the 7" casing. If not able to squeeze spot cement and bring to surface inside the 7" casing

See attached standard COA's.

James A. Amos
505-234-5909

7/2/08

**Accepted for record
NMOCD**

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

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

Accepted for record
NMOCD