

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 20 2009

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

MARATHON OIL COMPANY

3a. Address

5555 San Felipe @ Mail Stop: #3308
Houston, Texas 77056

3b. Phone No. (include area code)

713-296-3412

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

UL-"D", 1980' FSL & 760' FWL, SECTION 12, T-21S & R-23E

5. Lease Serial No.

NM-81677

6. If Indian, Allottee or Tribe Name

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

NM-91035

8. Well Name and No.

Bone Flats Federal Corn 12, #3

9. API Well No.

30-015-28529

10. Field and Pool or Exploratory Area

South Dagger Draw / Upper Pen Associated

11. Country or Parish, State

Eddy

12. CHECK THE 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 type="checkbox"/> Plug and Abandon	<input checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

**Marathon Oil request approval to "Temporarily Abandon" the above named well. This well is currently uneconomical to produce, and being re-evaluated regarding it's future plans for production. Please see the provided procedure details for the requested work below, plus attached well history, and wellbore.

*Procedure:

• Wait on permit approval before beginning this work. • Install and test 3000# BOP.

• MIRU Coiled tubing unit and kill truck.

• Kill well with fresh water.

• POOH with 1 1/4" coiled tubing and gas lift plunger system. • Set CIBP at 7,745'.

• RD coiled tubing unit.

• MIRU pulling unit and reverse unit.

• Kill well with fresh water.

* POOH with 2 7/8" tubing and lay down gas lift mandrel.
* Notify BLM Cadeburg 515-361-2822 24hrs prior.
• RIH with tubing conveyed CIBP. Set @ 7650.

• POOH laying down tubing.

* Load casing with fresh water, inhibited (Packer) Fluid

• Test casing and CIBP to 500 psi per regulatory requirements. *Make sure chart recorder installed.

• Send in pressure test chart to regulatory department.

• Bull plug well head, RDMO.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

RICK R. SCHELL

Title REGULATORY COMPLIANCE REPRESENTATIVE

Signature

Rick R. Schell

Date 01/28/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

J. D. W. Hitzloch

Title

LPE7

Date

4/16/08

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

CFO

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.

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**Accepted for record
NMOCB**

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

**Temporary Abandonment of Wells on Federal Lands
Conditions of Approval**

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Submit Subsequent Report and well bore diagram with all Perforations and CIBP with tops of cement. Well will be approved till 10/1/09 after successful MIT and subsequent report is submitted. Operator must submit plans for recompletion or plans to P&A well by October 1, 2009 Bone Flats Federal Com 12 #3.