

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC063245A
2. Name of Operator MARATHON OIL COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 552 MIDLAND, TX 79702		7. If Unit or CA/Agreement, Name and/or No. NMNM71150
3b. Phone No. (include area code) Ph: 800.351.1417 Ext: 8321 Fx: 915.687.8305		8. Well Name and No. INDIAN FED 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T21S R24E SWNE 1980FNL 1980FEL		9. API Well No. 30-015-10355-00-D1
		10. Field and Pool, or Exploratory INDIAN BASIN
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Suspension of Operations and/or Production
	<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.)

Marathon Oil Company tested the Upper Penn formation in this well and had proposed to produce the well as a dual producer in the Upper Penn and Morrow zones. A "Packer Leakage Test" was performed, as prescribed by the New Mexico Oil Conservation Division. The packer did not hold with the casing valve open. The casing valve was subsequently closed and the well is not producing from the Upper Penn zone. It is producing from the Morrow zone. The packer does not leak as long as the casing valve is closed. If proof is needed that these zones are segregated, please call me at the contact number shown above and I will fax you a copy of the latest gas analysis (performed after the Upper Penn was shut in). If H2S were present in the gas, it would indicate communication, because the Morrow zone in this area does not produce ANY H2S.

Accepted for record - NMOCD

14. Thereby certify that the foregoing is true and correct. Electronic Submission #17844 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by Armando Lopez on 01/22/2003 (03AL0101SE)	
Name (Printed/Typed) GINNY LARKE	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/22/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	LES BABYAK Title PETROLEUM ENGINEER	Date 01/23/2003
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 Carlsbad

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.