

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD

Hobbs

HOBBS OCD

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

5. Lease Serial No.
NMNM114984

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

MAY 29 2018

RECEIVED

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

8. Well Name and No.
CHILI PARLOR FEDERAL 3H

9. API Well No.
30-025-43138

10. Field and Pool or Exploratory Area
RED TANK

11. County or Parish, State
LEA COUNTY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MARATHON OIL PERMIAN LLC
Contact: JENNIFER VAN CUREN
E-Mail: jvancuren@marathonoil.com

3a. Address
5555 SAN FELIPE
HOUSTON, TX 77056

3b. Phone No. (include area code)
Ph: 713-296-2500

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 8 T22S R33E SWSE 240FSL 2200FEL

12. CHECK THE 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"/> Hydraulic Fracturing | <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 | Production Start-up |
| | <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 recomplete 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 recompletion 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.

7/7/2017 MIRU, Spud 7/9. Notified BLM of intent to run surface casing, spoke to Pat McKelvey 21:30 CST on 7/9 (No representative on location during casing job). 7/10 - Drill 17.5" hole from 28.5 to 1,095'. Pump sweeps & circulate hole clean. drop Gyro and TOOH to 711'. Ream/Wash from 899' to 158'. Notified BLM of intent to cement surface casing, spoke to Paul Flowers 09:30 CST on 7/10 (BLM representative Paul Flowers on location during cement job). Run 13 5/8" casing to 1,086' and cement. Run and cement 13 3/8" 26 jnts 54.5# J55 BTC casing. Pumped 20' bbls gel spacer and 785 sks lead cement and 490 tail cement with returns 248 bbls cement to surface. Notified BLM of intent to test BOPE, spoke to Paul Flowers 01:15 CST 7/11 (No representative on location during the test). N/U bop's Test BOP, test good. Test 13 3/8" casing to 1539 psi for 30 minutes, 49 psi drop, good test. Start Drilling 12 1/4" - 7/12 Drill shoe track, perform FIT, drill 12 1/4" to 4808'. Circulate sweep, low check (15 min) no flow, pump slug, TOOH to 4808. 7/14 Notified Lea County BLM at 7:39 CST of 9 5/8" casing run and cement job. BLM agent Paul Flowers requested to be called once casing

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

Electronic Submission #405468 verified by the BLM Well Information System
For MARATHON OIL PERMIAN LLC, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER SANCHEZ on 02/28/2018 ()

Name (Printed/Typed) JENNIFER VAN CUREN Title SR. REGULATORY COMPLIANCE REP

Signature (Electronic Submission) Date 02/22/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

MAY 17 2018

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 BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

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)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional data for EC transaction #405468 that would not fit on the form

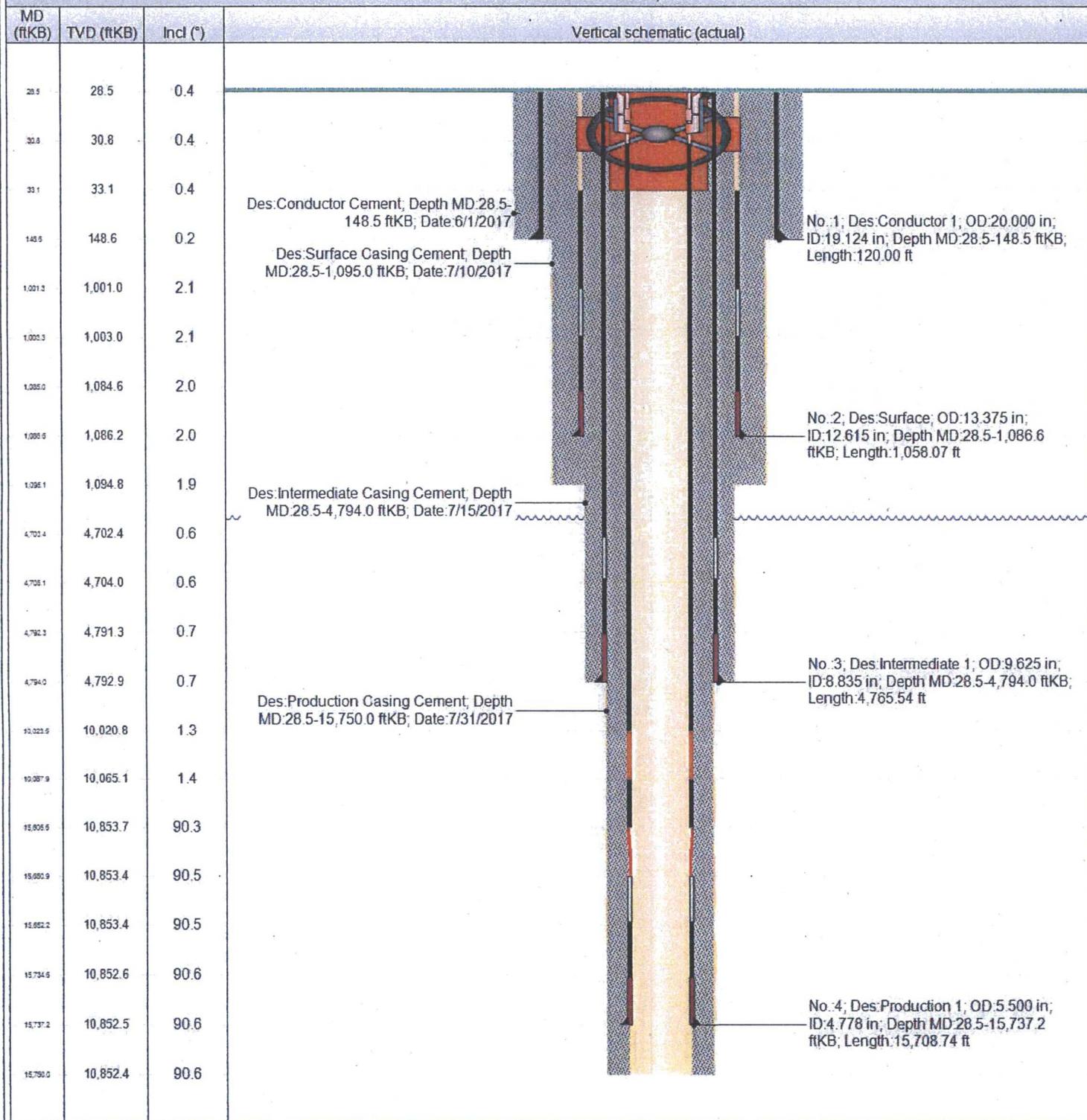
32. Additional remarks, continued

is landed and circulation begins. Run 9 5/8" 110 jnts 40# L80 BTC casing to 4794'. Called Lea County BLM on 7/15 - Paul Flowers on location during cement job. Cement 9 5/8" casing by pumping 10 bbls water spacer, 20 bbls gel spacer, 1800 sks lead cement and 400 sks tail cement with 899 sks cement returns to surface. 7/16 - Test 9 5/8' casing to 1500 psi for 30 min, 1 psi drop, good test. Drill float & shoe, perform FIT. Start drilling 8 3/4" hole from 5101 to 9516'. 7/18 Circulate hole clean and check flow (no flow). Pump slug for TOH from 9516' to BHA. TIH from 89 to 9516'. 7/19 - Tripped in hole to 9517 and drilled to KOP 10130. Drilled to 10213 TOOH from MWD. Test TIH to 9600'. Resurvey every stand from 9600 to 10213. 7/20 - Drill to 11392'. TOOH from 11392 to BHA. 7/22 TIH BHA to 10300 11060. Re-log gamma from 11060 to 11.392. Drilling to 15058. 7/25 Motor failure at 15058. Pump sweep & circulate hole clean. Check flow, wellbore static, pump slug. TOOH to BHA. 7/26 - TIH BHA to 15014. Re-log gamma from 14955 to 15058'. 7/27 - Continue drilling to 15340. Experience motor failure. Check flow, wellbore static. TOOH for motor failure from 15340 to BHA. 7/28 TIH from BHA to 14235. Re-log gamma from 15240 to 15340'. Continue drilling to 15750 (TD 7/29). Perform clean up cycles. Check Flow, wellbore static. TOOH and LDDP. Notify BLM on intent to run production casing. Spoke to John Staton at 10:00 CST on 7/29 (No BLM representative on location while running casing). Run 5.5" 364 jnts, 20# P110IC BTC casing. Shoe track and test floats. Notify BLM of intent to cement production liner. spoke to John Staton at 13:00 CST on 7/30 (No BLM representative on location during cement job). Cement liner casing by pumping 74 bbls of spacer, 417 sks of 1st lead, 742 sks of 2nd lead, 1765 sks tail cement Returns to surface 274 sks cement. PU equipment, RDMO. 8/1/2017. 8/10 - Completions Tested 5.5" casing to 9500 for 30 min, 100 psi drop. Test Good.

Wellbore Schematic
Well Name: CHILI PARLOR 17 FEDERAL COM 3H

| | | | | | | |
|--|---------------------------------------|------------------------------------|--|---|----------------------------------|-------------------------------------|
| State/Province NEW MEXICO | Prospect Area RANGER | Field Name RED TANK EAST | Well Subtype OIL WELL | Lat/Long Datum NAD27 | Latitude (°) 32.399580 | Longitude (°) -103.592666 |
| Well Configuration Type HORIZONTAL | Well Objective EXPLOITATION | Well Status PRODUCING | Ground Elevation (ft) 3,569.00 | KB-Ground Distance (ft) 28.50 | | |

HORIZONTAL - CHILI PARLOR 17 FEDERAL COM 3H, 2/21/2018 7:28:10 AM



Directions to Well: FROM THE INTERSECTION OF WEST CARLSBAD HIGHWAY AND HIGHWAY 176 TRAVEL SOUTHEAST ON HIGHWAY 176 FOR 6.4 MILES TO LEASE ROAD ON THE RIGHT. TRAVEL SOUTH ON LEASE ROAD FOR 10.8 MILES TO LEASE ROAD ON THE LEFT. TRAVEL EAST ON LEASE ROAD FOR 0.6 MILES TO LEASE ROAD ON THE LEFT. TRAVEL NORTH ON LEASE ROAD FOR 1.2 MILES TO LEASE ROAD ON THE RIGHT. TRAVEL EAST ON EAST ROAD FOR 0.9 MILES TO PROPOSED WELL PAD 636 FEET ON THE RIGHT.

Chili Parlor 17 Federal Com 3H - Casing and Cement Operations

| Casing detail | Surface | Intermediate | Production |
|----------------------------|-----------|--------------------------|--------------|
| Date | 7/10/2017 | 7/14/2017 | 7/31/2017 |
| Hole size | 17 1/2" | 12 1/4" | 8 3/4" |
| Casing size | 13 3/8" | 9 5/8" | 5 1/2" |
| Weight | 54.5 | 40 | 20 |
| Type | J-55 | L80 | CYP-110 |
| Thread | BTC | BTC | DQXHT |
| Depth (MD) | 1,086.6' | 4,794.0' | 15,737.2' |
| Amount jnts | 26 | 110 | 364 |
| Cement detail | Surface | Intermediate | Production |
| Date | 7/10/2017 | 7/15/2017 | 7/31/2017 |
| Top depth KB | 28.5' | 28.5' | 28.5' |
| Bottom depth KB | 1,095.0' | 4,794' | 15,750' |
| Lead 1 sks | 875 | 1,800 | 417 |
| Yield | 1.75 | 1.73 | 3.477 |
| WOC to 500 psi | | 9:31 hr/min | 12:27 hr/min |
| Lead 2 sks | | | 742 |
| Yield | | | 2.367 |
| WOC to 500 psi | | | 13:44 hr/min |
| Tail sks | 490 | 400 | 1,765 |
| Yield | 1.36 | 1.33 | 1.22 |
| WOC to 500 psi | | 5:40 hr/min | 15:30 hr/min |
| Gel spacer | 20 bbls | | |
| Clean Spacer III | | | 30 bbls |
| Super Flush Spacer | | | 23.8 bbls |
| Water Spacer | | | 20 bbls |
| Class | C | ExtendaCemC/ HalChemC | H |
| Circulate to surface (sks) | | 899 | 274 |
| Top meas. method | | Circulate | Circulate |
| TOC | 28.5 | 28.5 | 28.5 |
| Pressure testing | Surface | Intermediate | Production |
| Date | 7/12/2017 | 7/16/2017 | 8/10/2017 |
| PSI | 1539 | 1500 | 9500 |
| Time (min) | 30 | 30 | 30 |
| Bled off | 49 | 1 | 100 |
| Drop | 3% | 0% | 1% |
| Good test | Yes | Yes | Yes |