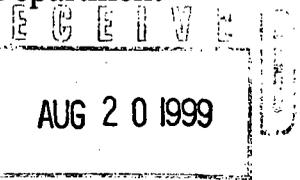


Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131



SUBMIT ORIGINAL PLUS 2 COPIES TO THE SANTA FE OFFICE

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

OIL CONSERVATION DIVISION

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Marathon Oil Company P. O. Box 552 Midland, TX 79701							OGRID Number 014021		
Contact Party Ginny Larke							Phone 915-682-1626		
Property Name Indian Hills Unit					Well Number 19		API Number 30-015-30572		
UL L	Section 28	Township 21-S	Range 24-E	Feet From The 1400	North/South Line SOUTH	Feet From The 1248	East/West Line WEST	County EDDY	

II. Date/Time Information

Spud Date 3/6/99	Spud Time 1000 HRS	Date Completed 3/30/99	Pool INDIAN BASIN UPPER PENN ASSOCIATED POOL
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- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of Texas)
County of Midland)
Ginny Larke, being first duly sworn, upon oath states:

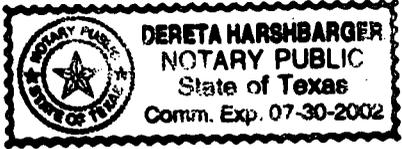
1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature Ginny Larke Title Engineer Technician Date August 17, 1999

SUBSCRIBED AND SWORN TO before me this 17th day of August, 1999

Dereta Harshbarger
Notary Public

My Commission expires: July 30, 2002



FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Speer</u>	Title <u>P.E. Speer</u>	Date <u>AUG 24 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: AUG 24 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PVZV2006429834

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY
SUBMIT IN DUPLICATE*
(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995
5. LEASE DESIGNATION AND SERIAL NO.
NM 030482
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

7. UNIT AGREEMENT NAME
INDIAN HILLS UNIT
8. FARM OR LEASE NAME, WELL NO.
INDIAN HILLS UNIT #19

2. NAME OF OPERATOR
Marathon Oil Company

9. API WELL NO.
30-015-30572

3. ADDRESS AND TELEPHONE NO.
P.O. Box 552 Midland, TX 79702 915-682-1626

10. FIELD AND POOL, OR WILDCAT
INDIAN BASIN UPPER PENN ASSOCIATED POOL

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface
UL "L", 1400' FSL & 1248' FWL
At top prod. interval reported below
UL "L", 1400' FSL & 1248' FWL
At total depth
UL "L", 1400' FSL & 1248' FWL

11. SEC., T., R., M, OR BLK. AND SURVEY OR AREA
SEC. 28, T-21-S, R-24-E

14. PERMIT NO. DATE ISSUED

12. COUNTY OR PARISH
EDDY
13. STATE
NM

15. DATE SPUNNED 3/6/99
16. DATE T.D. REACHED 3/18/99
17. DATE COMPL. (Ready to prod.) 3/30/99
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*
GL: 3778'; KB: 3795'

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 8200'
21. PLUG, BACK T.D., MD & TVD 8144'

22. IF MULTIPLE COMPL., HOW MANY*
23. INTERVALS DRILLED BY
24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
UPPER PENN, 7482'-7538' & 7796'-7847'

ROTARY TOOLS ALL
CABLE TOOLS
25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
CNL/NGT, MCFL/NGT, & NGR

27. WAS WELL CORED
NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
16" CONDUCTOR		40'		CEMENT TO SURFACE	
9-5/8", K-55	36#	1195'	12-1/4"	555 SX. CIRC 184 SX	
7", K-55	26 & 23#	8200'	8-3/4"	1005 SX. CIRC 59 SX	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	8042'	RBP @ 8047'

30. TUBING RECORD

PERFORATION RECORD (Interval, size and number)	ACID SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
7482'-7538' and 7796'-7847'	DEPTH INTERVAL (MD) 7482'-7847' AMOUNT AND KIND OF MATERIAL USED 8100 gals. 15% Fercheck acid

31. PRODUCTION

DATE FIRST PRODUCTION 5/1/99
PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Submersible pump - 2 P7 pumps w/M-5 motors
WELL STATUS (Producing or shut-in) Producing

DATE OF TEST 5/12/99
HOURS TESTED 24
CHOKE SIZE
PROD'N. FOR TEST PERIOD
OIL - BBL. 0
GAS - MCF. 321
WATER - BBL. 2060
GAS - OIL RATIO N/A

FLOW. TUBING PRESS. 240
CASING PRESSURE 220
CALCULATED 24-HOUR RATE
OIL - BBL.
WATER - BBL.
OIL GRAVITY - API (CORR.) 46.3

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold
TEST WITNESSED BY
ACCEPTED FOR RECORD
PETER W. CHESTER
BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA
JUN 17 1999

35. LIST OF ATTACHMENTS
Logs & inclination survey
36. I hereby certify that the foregoing and attached information is complete and correct as determined by me.
SIGNED Gerry Larkie TITLE Engineer DATE 5/19/99

(See Instructions and Spaces for Additional Data on Reverse Side)

7. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS	
				NAME	TOP MEAS. DEPTH TRUE VERT. DEPTH
UPPER PENN			DOLOMITE, LIMESTONE, SHALE, GAS, OIL, & WATER	QUEEN	SURFACE
				SAN ANDRES	1084
				GLORIETA	2410
				YESO	2544
				3rd BONE SPR LIME	5212
				3RD BONE SPR SAND	6580
				WOLFCAMP SHALE	6788
				UPPER PENN	7464
				BASE DOLOMITE	8054

RECEIVED
MAY 19 1959
S.M.
ROSWELL, NM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau 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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. 030482 NM-830487
2. Name of Operator Marathon Oil Company		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 552 Midland, TX 79702	3b. Phone No. (include area code) 915/687-8356	7. If Unit or CA/Agreement, Name and/or No. INDIAN HILLS UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1400' FSL & 1248' FWL, U. L. "L" SEC. 28, T-21-S, R-24-E		8. Well Name and No. INDIAN HILLS UNIT #19
		9. API Well No. 30-015-30572
		10. Field and Pool, or Exploratory Area INDIAN BASIN - U. PENN ASSOC
		11. County or Parish, State EDDY 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 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 <u>SPUD & CMTG.</u>
	<input type="checkbox"/> Change Plans	<input 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 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 shall 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 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.)

SEE ATTACHED SUNDRY FOR SUMMARY OF DRILLING OPERATIONS

ACCEPTED FOR RECORD
PETER W. CHESTER
Peter W. Chester
MAY 12 1999
BUREAU OF LAND MANAGEMENT
RESOURCE AREA

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) R. J. LONGMIRE	Title DRILLING SUPERINTENDENT
<i>RJ Longmire</i>	Date 4/13/99

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, 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.

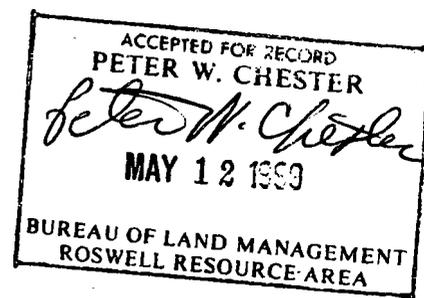
Marathon Oil Company

Indian Hills Unit #19
1400' FSL & 1248' FWL
Section 28, T-21-S, R-24-E
Eddy County, N.M.
API # 30-015-30572

3/6/99, MIRU McVay # 4, Spud 12.25" hole @ 1000 hrs, 3/6/99. Drilled to 1196'. Ran 29 jts, 9.625", 36 #, K-55, STC casing to 1196', shoe @ 1195', Float collar @ 1154'. Cemented W/ 200 sx Thixset Wt-14.0, yield- 1.52, followed by 155 sx. Premium plus Wt -- 12.4, yield - 2.02. Tailed in w/ 200 sx premium plus neat, Wt 14.8, yield - 1.34. Circulated 184 sx cement Welded on 9.625" SOW X 11" 3M casing head. Tested weld to 1500 psi. N.U. 11" 3M dual ram and annular BOPE, choke manifold and kill line. Tested BOPE to 3000/300 psi. Tested annular to 2000 psi. P.U. 8.75" bit and TIH to TOC @ 1150', tested casing to 1000 psi. Drilled shoe and formation to 8200' TD @ 0215 hrs 3/18/99. R.U. Schlumberger, ran Platform - Express w/ HALS/NGT 8186' - Surface.

Changed rams to 7", ran 71 jts, 26 #, K-55, 103 jts, 23 #, K-55, 2 jts, 26 #, K-55 LTC casing to 8200'. Shoe @ 8200', float collar @ 8158', D.V. @ 6332'. Cemented 1St.. stage w/ 200 sx Premium Plus w/ 350 Scf N2, Wt - 9.2, yield - 1.18. Tailed in w/ 200 sx Premium Plus foamed w/ 150 SCF N2, Wt - 13.2, yield 1.18. Set ECP & dropped bomb, opened D.V. tool @ 6332', circulated out gas and water, had full returns, circulated out 40 sx cement. Cemented 2nd stage w/ 550 sx. Interfil "C" w/ .25 p.p.s. flocele, 3 p.p.s. Gilsonite, .2% Halad - 22, Wt - 11.9, yield - 2.47. Tailed in w 100 sx neat. Plug down @ 0145 hrs, 3/20/99. Circulated 59 sx to surface.

ND BOPE and set slips, NU 11" 3M X 7 1/16" 3M tubing spool. Tested seals to 1000 psi. Released rig @ 0700 hrs 3/20/99.



MARATHON OIL COMPANY Attachment to Form C-142			
INDIAN HILLS UNIT WELL NO. 19			
API NO. 30-015-30572			
Field	Working Interest Owners	Working Interest %	NRI %
Indian Hills Unit Wells #1, #8	MOC	99.54544	83.07133
#9, #10, #12, #17 & #19 Sec. 21, 28, & 33 T-21-S, R-24-E D. O. #8200214	Nearburg Exploration	0.45456	0.38562