

UNITED STATES
DEPARTMENT OF THE INTERIOR **OCD-ARTESIA**
BUREAU OF LAND MANAGEMENT

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

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. NM-04827-B
2. Name of Operator Marathon Oil Company		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 3487 Houston, TX 77253-3487	3b. Phone No. (include area code) 713-296-2096	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL"K", 2030' FSL & 1650' FWL, Sec 1, T-21-S, R-23-E		8. Well Name and No. MOC Federal No 8
		9. API Well No. 30-015-28823
		10. Field and Pool, or Exploratory Area East Indian Basin Morrow (96561)
		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 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 type="checkbox"/> Other <u>X Test Scab</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Liner / Production</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Viability</u>

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 final site is ready for final inspection.)

Marathon Oil Company has completed operations to run a one month test on the MOC Federal No 8 well. This test was to determine the economic viability and check for cross flow of sour gas from the Upper Penn formation which is isolated behind a scab liner.

09/19 - 09/20/07 Ran rods and insert pump and hung well off.

09/21/07 Started well to production facilities test.

Gas samples were pulled for analysis on 10/02/07, 10/11/07, & 10/23/07. Copies of these analysis are attached to this sundry. The gas analysis indicates that the gas does not contain any H₂S. Therefore it is Marathon's positioning that the casing liner is holding under normal operating conditions. The well is currently making aproximately 80 mcf and 90 bbls of water daily. Marathon is therefore seeking approval to continuing producing the well with the liner in place as is. A wellbore diagram has been included with this sundry notice to show the well bore as it is being produced. A follow sundry is being submitted for production start up on the well.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Charles E. Kendrix	Title Regulatory Compliance Representative
<i>Charles E. Kendrix</i>	Date 10/24/07

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS	Title Office	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.		Accepted for record - NMOCD

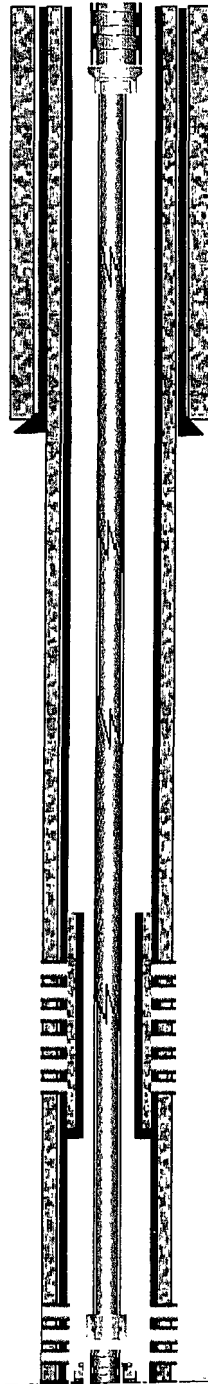
Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PETROLEUM ENGINEER



MOC Federal No 8 Isolated UP Produce from Morrow

Marathon Oil Company
MOC Federal No 8
UL"K", 2030' FSL & 1650 FWL, Sec 1, T-21-S, R-23-E
Sec 1, T-21-S, R-23-E
25-Oct-07



Surface Casing
9 5/8" 36# K-55 set @ 1210' w/ 875 sks cmt.

Top of 5 1/2" casing liner @ 7600'

Upper Penn Perforations 7282'-7830'

Bottom of 5 1/2" csg liner @ 7916'

Seating Nipple
Bottom tgb @ 9318'

Morrow Perforations 9210'-9474'