

RECEIVED NOV 07 2008

Submit 2 Copies To Appropriate District Office  
 District I  
 1625 N French Dr., Hobbs, NM 88240  
 District II  
 1301 W Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S St. Francis Dr., Santa Fe, NM 87505

**State of New Mexico**  
 Energy, Minerals and Natural Resources  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 October 25, 2007

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other 2. Name of Operator. <b>Marathon Oil Company</b> 3. Address of Operator <b>P. O. Box 3487 Houston, Texas 77056-3487</b> <b>Mail Stop #3308</b> 4. Well Location Unit Letter <b>K</b> : <b>1821'</b> feet from the <b>South</b> line and <b>2092'</b> feet from the <b>West</b> line Section <b>16</b> Township <b>21-S</b> Range <b>24-E</b> NMPM _____ County <b>EDDY</b> 11. Elevation (Show whether DR, RKB, RT, GR, etc.)		WELL API NO. <b>30-015-32530</b> 5. Indicate Type of Lease <b>STATE</b> <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. <b>E-07437-0003</b> 7. Lease Name or Unit Agreement Name <b>Indian Hills Unit</b> 8. Well Number <b>#50</b> 9. OGRID Number <b>14021</b> 10. Pool name or Wildcat <b>Indian Basin (Morrow)</b>
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> <input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A
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☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.  
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.  
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.  
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.  
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.  
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)  
☒ All other environmental concerns have been addressed as per OCD rules.  
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B (4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Rick R. Schell TITLE Regulatory Compliance Representative DATE 11-05-2008

TYPE OR PRINT NAME Rick R. Schell E-MAIL: RRSCHELL@MarathonOil.com PHONE: 713-296-3412  
 For State Use Only

APPROVED BY: Pat Harkin TITLE PH DATE 11/13/08  
 Conditions of Approval (if any):

*OK to Release*

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State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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Form C-103  
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-32530
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Marathon Oil Company ATTN: Rick Schell		6. State Oil & Gas Lease No. E-07437-0003
3. Address of Operator P.O. Box 3487 Houston, Texas 77253-3487		7. Lease Name or Unit Agreement Name Indian Hills Unit
4. Well Location Unit Letter <u>K</u> : <u>1,821</u> feet from the <u>South</u> line and <u>2,092</u> feet from the <u>West</u> line Section <u>16</u> Township <u>21-S</u> Range <u>24-E</u> NMPM County <u>Eddy</u>		8. Well Number 50
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,118' GR		9. OGRID Number 014021
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/>		
Pit type <u>STEEL</u> Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water <u>N/A</u>		
Pit Liner Thickness: <u>STEEL</u> mil Below-Grade Tank: Volume <u>180</u> bbls; Construction Material <u>STEEL</u>		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

07/07/08 thru 07/08/08 MIRU Basic Energy rig #1707, set steel pit, NU BOP. Worked packer free.

07/09/08 POOH w/ production packer Set CIBP @ 7,560'. Circulated hole w/ 200 bbls mud, and pumped 25 sx C cmt 7,560 - 7,411'.

07/10/08 Pumped 30 sx C cmt 4,600 - 4,421'. PUH w/ tubing to 2,840', pumped 40 sx C cmt 2,840 - 2,241'. POOH w/ tubing. RHH w/ wireline, perforated 7" csg @ 1,865'. POOH w/ wireline. RHH w/ 7" packer. Loaded hole, set packer, unable to establish rate @ 1,300 psi. Contacted NMOC, ok'd balance plug. RHH w/ tubing to 1,915' and pumped 40 sx C cmt 1,915 - 1,767'. POOH w/ tubing, SDFN.

07/11/08 Tagged cmt @ 460'. RHH w/ tubing to 62', RU cementer, and circulated 25 sx C cmt 62' to surface. POOH w/ tubing, ND BOP. RDMO.

Cut off wellhead & anchors, installed dry hole marker, backfilled cellar.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE James F. Newman TITLE P&A Manager (Basic Energy Services) DATE 08/05/08

Type or print name James F. Newman E-mail address james.newman@basicenergyservices.com Telephone No 432-687-1994  
For State Use Only

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any).

## Operations Summary Report

Legal Well Name: INDIAN HILLS UNIT NO. 50  
 Common Well Name: INDIAN HILLS UNIT NO. 50  
 Event Name: ABANDONMENT  
 Contractor Name: KEY ENERGY SERVICES  
 Rig Name: KEY ENERGY SERVICES

Spud Date: 1/21/2003  
 Start: 7/7/2008 End: 7/10/2008  
 Rig Release: 3/11/2003 Group:  
 Rig Number: 356

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
7/7/2008	06:00 - 21:00	15.00	PULL__	EQIP	PLUGAB	Crew attended monthly safety meeting in yard. MIRU Basic rig #1707. Hold tailgate safety meeting. ND Wellhead, NU BOP. Wait on Busto's w/Haliburton to release PLS Packer, released packer, well kicked up tubing, shut tubing in, rig up hose to reverse unit, open to tank, tubing unloaded 3 bbls good looking oil to reverse unit, tie on pump truck and pump 30 bbls plugging mud down tubing POOH w/2 stands. Swabbing backside with packer. SDFN
7/8/2008	07:00 - 17:30	10.50	PULL__	EQIP	PLUGAB	TGSM. Attempting to release packer, rubber element appears to have rolled and is dragging. Packer freed up. POOH w/20 stands, noticed bad spot on tubing line. Shut down waiting on new cable from Hobbs. Install new cable and noticed a crack in drum. SDFN. Have welder set up in the A.M.
7/9/2008	07:00 - 20:30	13.50				TGSM, AND SAFE WORK PERMIT. Welder repaired crack in drum. POOH w/202 jts 27/8 L-80, Layed down bottom 38 jts, collars thin, tubing pitted. PU RIH w/7" HM-tbg.set CIBP ON 202 JTS 27/8 L-80, Marathon delivered 38 jts due to laying down bad tubing. RU cementer and set CIBP at 7560' Circulated hole w/200 bbls mud and pumped 25 sx C cmt from 7560'-to-7411'. PUH w/tubing to 4600'. SDFN.
7/10/2008	07:00 - 20:00	13.00	PUMP__	CMT__	PLUGAB	Crew to location. RU cementers and pumped 30 sx C cmt from 4600'-to-4421'. PUH W/TUBING TO 2840' AND PUMP 40 sx C cmt plug from 2840'-to-2241'. POOH w/tubing. RIH w/wireline, perforate 7" csg. @ 1865'. POOH w/ wireline. RIH w/7" packer. Loaded hole, set packer, unable to establish rate @ 1300 psi. Contacted NMOCD, they ok'k balanced plug. RIH w/tubing to 1915' and pumped 40 sx C cmt plug from 1915'-to-1767'. POOH w/tubing, will tag plug in the A.M. SDFN
7/11/2008	07:00 - 10:30	3.50	PUMP__	CMT__	PLUGAB	Crew to location. Opened well. RIH w/wireline, tagged cmt @ 1767' PUH w/wireline Perforate at 550'. POOH w/wireline RIH w/tubing to 600', RU cementer, and circulated 50 sx C cmt from 600'-to-500', POOH w/tubing.. WAC and TAG. Pump 25 sx C cmt plug from 62'-to surface. POOH w/tubing, ND BOP, Rig down and move to NIBU # 23.
						FINAL REPORT