

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

COPY

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

APR 15 2009

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 page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-05551
2. Name of Operator Marathon Oil Company		6. If Indian, Allottee, or Tribe Name
3a. Address 5555 San Felipe @ Mail Stop #3308 Houston, Texas 77056	3b. Phone No. (include area code) 713-296-3412	7. If Unit or CA. Agreement Name and/or No. Nort Indian Basin Unit
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) SHL: U L. K' 1,650' 1,650' 11 T FSL FWL 21-S R 23-E Long. 104.57587 T		8. Well Name and No. NIBU #07
		9. API Well No. 30-015-20089
		10. Field and Pool, or Exploratory Area South Dagger Draw / Upper Pen - (15475)
		11. County or Parish, State Eddy New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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"/> Altering 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input checked="" 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 recompleate horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice 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 is requesting a Temporary Abandonment status for the above mentioned well,**

North Indian Basin Unit #7, per procedure listed below. NOTE: Wellbore does not pose an environmental risk, and

Proximity of 'WB' is not located in an environmentally sensitive area, nor near a resident, or population.

Justification: Current oil pricing precludes further risky completions. Wellbore may be needed for 'SWD' at a future date.

- > Wait on permit approval before beginning this work!
- > MIRU pulling unit and reverse unit.
- > Kill well with fresh water.
- > Install and test 3000# BOP.
- > POOH w / 2-7/8" & 2-3/8" J-55 tubing.
- > Pick up and RIH w / 4-1/2" CIBP on 2-7/8" & 2-3/8" tubing.
- > Set CIBP at 7,731'.
- > POOH laying down tubing.
- > Load casing with fresh water.
- > Test casing and CIBP to 500psi for 30-mins per regulatory requirements.
- > Send in pressure chart to "Regulatory Compliance" dept.
- > Bull plug well head.
- > RDMO.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**Accepted for record
NMCD RI**

NOTE: Fresh water to be used, no solids or waste are to be generated. There are no plans to remove any fluids from the well during this work, and as we indicated above, we plan to top off the well with fresh water once the plug is set. The only fluid on location during this work will be fresh water.

cc: BG, JV, RRS, WRF, FIELD

14. I hereby certify that the foregoing is true and correct.	
Name (Printed/ Typed) RICK R. SCHELL	Title REGULATORY COMPLIANCE REPRESENTATIVE
Signature <i>Rick R. Schell</i>	Date 3/31/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>J. D. Whitlock</i>	Title 2 PE 7	Date 4/13/09
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 CF	

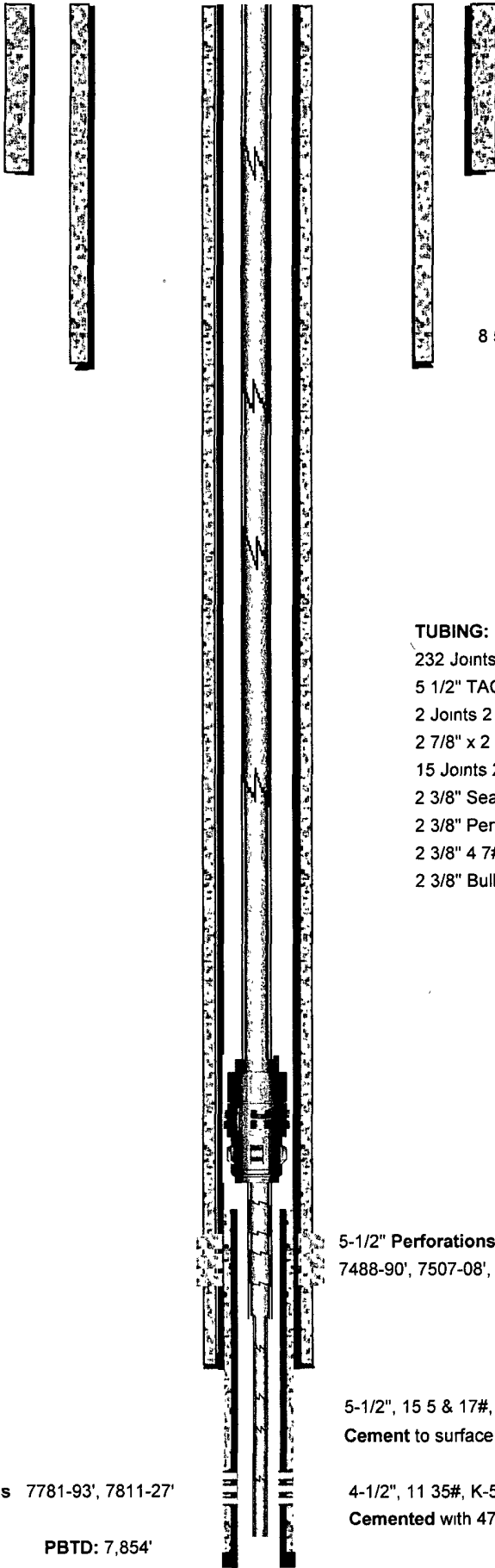
Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Procedure:

- **Wait on permit approval before beginning this work.**
- **MIRU pulling unit and reverse unit.**
- **Kill well with fresh water.**
- **Install and test 3000# BOP.**
- **POOH w/ 2 7/8" & 2 3/8" J-55 tubing.**
- **Pick up and RIH w/ 4 1/2" CIBP on 2 7/8" & 2 3/8" tubing.**
- **Set CIBP at 7,731'.**
- **POOH laying down tubing.**
- **Load casing with fresh water.**
- **Test casing and CIBP to 500 psi for 30 minutes per regulatory requirements. Make sure chart recorder is installed before pressure test.**
- **Send in pressure test chart to regulatory department.**
- **Bull plug well head.**
- **RDMO.**



13-3/8", 48#, H-40 Surface Casing Set at 160'
Surface w/ 350 Sacks Circulated 45-Sacks

8 5/8", 32#, J-55 Intermediate Casing, Set at 2098'
Cemented to Surface w / 1500 Sacks
Circulated 400-500 Sacks

TUBING:
232 Joints 2 7/8" J-55 to 7255'
5 1/2" TAC to 7257'
2 Joints 2 7/8" J-55 to 7320'
2 7/8" x 2 3/8" Crossover to 7321'
15 Joints 2 3/8" J-55 to 7783'
2 3/8" Seating Nipple to 7785'
2 3/8" Perforated Sub to 7789'
2 3/8" 4 7# Mud Joint to 7819'
2 3/8" Bull Plugged Collar to 7820'

5-1/2" Perforations 7455-56', 7460-61', 7469-70', 7474-75',
7488-90', 7507-08', squeezed w/ 325 sacks cement

5-1/2", 15 5 & 17#, J-55 Production Casing Set at 7,593'
Cement to surface w / 990-Sacks Circulated 65-Sacks

4-1/2", 11 35#, K-55 Production Liner Set from 7,436'-7,897'
Cemented with 47 Sacks Circulated 25 Sacks

4 1/2" Perforations 7781-93', 7811-27'

PBTD: 7,854'

Well Name & Number:		North Indian Basin Unit #7		Lease	NM-05551		
County or Parish:		Eddy	State/Prov.	New Mexico	Country:	USA	
Perforations: (MD)				(TVD)			
Angle/Perfs		Angle @KOP and Depth	0		KOP TVD	0	
BHP:	0	BHT:	0	Completion Fluid:			
FWHP:		FBHP:		FWHT:		FBHT:	Other:
Date Completed:							RKB:
Prepared By:		Bryson Goeres		Last Revision Date:		03/27/09	

Operations Summary Report

Legal Well Name: NORTH INDIAN BASIN UNIT NO 7

Common Well Name: NORTH INDIAN BASIN UNIT NO 7

Event Name: TEMP. ABANDONMENT

Start: 1/23/2009

Spud Date:

End: 1/23/2009

Contractor Name: KEY ENERGY SERVICES

Rig Release:

Group:

Rig Name: Lencho Marquez

Rig Number: 356

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
1/23/2009	07:00 - 15:00	8.00	PULL__	EQIP	SITABN	<p>MIRU from FED C 35-3. Pull rods and pump out laying down. Pulled out 5-1"x4' ponies, 91--1" steel , 175--7/8" steel, 20--7/8" steel with molded on rod guides, 1--7/8" steel, 20--13/8" k-bars. 2"x11/2"x26' pump, 11/4"x2' gas anchor.</p> <p>Rig down.Shut-down for weekend. Rig will move back to FED C 35-3 on Monday.</p> <p>NOTE: WELL WILL BE TAed . No equipment will be run back in.</p>

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Submit Subsequent Report and well bore diagram with all Perforations and CIBP with tops of cement. Well will be approved till 10/28/09 after successful MIT and subsequent report is submitted. Operator must submit plans for recompletion or plans to P&A well by October 28, 2009 NIBU #7.