Form 3160-5 (August, 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

OCD-ARTESLA

FORM APPROVED OMB No 1004-0137

APR 15 200 **BUREAU OF LAND MANAGEMENT** Expires July 31, 2010 Lease Serial No SUNDRY NOTICES AND REPORTS ON WELLS NM-05608 Do not use this form for proposals to drill or to re-enter an If Indian, Allottee, or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. If Unit or CA Agreement Name and/or No SUBMIT IN TRIPLICATE - Other Instructions on page 2. Nort Indian Basin Unit Type of Well Well Name and No X Oil Gas Well Other #10 Name of Operator **NIBU** API Well No **Marathon Oil Company** 3b Phone No (include area code) 3a Address 30-015-27930 5555 San Felipe @ Mail Stop #3308 713-296-3412 10 Field and Pool, or Exploratory Area Houston, Texas 77056 Location of Well (Footage, Sec., T., R., M., or Survey Description) Lat. 32.49933 South Dagger Draw / Upper Pen Associated 330' 2,310' 11 County or Parish, State 104.57367 11 T 21-S R 23-E Long. "C" FNL Eddy New Mexico 12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION X Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-off Well Integrity Fracture Treat Reclamation Altering Casing Recomplete Casing Repair New Construction Subsequent Report Plug and abandon Temporarily Abandon Change Plans Plug back Water Disposal Final Abandonment Notice Convert to Injection 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 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 recompletion 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 reclamantion, 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, SEE ATTACHED FOR North Indian Basin Unit #10, per procedure listed below: > Wait on permit appproval before beginning this work! > POOH laying down tubing CONDITIONS OF APPROVAL > MIRU pulling unit and reverse unit. > Load casing with fresh water. . > Kıll well with fresh water > Test casing and CIBP to 500psi per regulatory requirements Make sure chart recorder installed before pressure testing be accepted for record > Install and test 3000# BOP > POOH w/open ended 2-7/8"tubing/lay down tubing anchor > Send in pressure chart to "Regulatory Compliance" dept NMOCDRI > RIH w / tubing conveyed CIBP > Bull plug well head > RDMO 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 Spud Date: Estimated April 2009 Rig Release Date: Estimated April 2009 1 AST & cod, 1/2008 cc: BG, JV, RRS, WRF, FIELD 14 I hereby certify that the foregoing is true and correct Name (Printed/ Typed) Title REGULATORY COMPLIANCE REPRESENTATIVE RICK R. SCHELL 3/24/2009 Signature Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE

4/13/09 1 PET /s/ JD Whitlock Jr Approved by Conditions of approval, if any are attached Approval of this notice does not warrant or CFO certify that the applicant holds legal or equitable title to those rights in the subject lease Office conduct operations

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

APProval Subvect To MIT

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 with 2 7/8" tubing and lay down tubing anchor.
- RIH with tubing conveyed CIBP.
- Set CIBP at 7,469.
- POOH laying down tubing.
- Load casing with fresh water.
- Test casing and CIBP to 500 psi 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.

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16" Conductor Casing Set at 60'. Cemented to Surface w/ Redi-Mix

9 5/8", 36#, K-55 Surface Casing Set at 1,227' Cemented to Surface w/ 800 Sacks. Circulated 175 Sacks.

TUBING 247 Joints 2 7/8" L80 TAC @ 7,487' 11 Joints 2 7/8" L80

Upper Penn Perforations: 7519-63', 7568-90', 7600-08', 7654-7715', 7730-50', 7756-74', 7780-7830'

7", 23 & 26#, K-55 Production Casing Set at 8,042' Cemented 1st Stage w/ 350 Sacks, and Circulated 20 Sacks. Cemented 2nd Stage w/ 730 Sacks, and Circulated 5 Sacks.



PBTD - 7,931'

Well Name & Number: County or Parish:		North Indian Basin Unit #10			Lease	NM05608			
		Eddy		State/Prov.	New Mexico		Country:	USA	
Perforations: (MD)					(TVD)				
Angle/Perfs		Angle @K	OP and Depth	0			KOP TVD	0	
BHP:	0	BHT:	0	Completion Flu	ıid:				
FWHP.		FBHP:		FWHT:		FBHT.		Other.	
Date Completed:				l l				RKB:	
Prepared By		Bryson Goeres			Last Rev	Last Revision Date:			

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:

- 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 #10.