

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

JUN 23 2009

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

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 Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-05608
2. Name of Operator Marathon Oil Company		6. If Indian, Allottee or Tribe Name
3a. Address 5555 San Felipe Houston, Texas	Mail Stop #3308 77056	7. If Unit of CA/Agreement, Name and/or No. NM-91035
3b. Phone No. (include area code) 713-296-3412		8. Well Name and No. Bone Flats 12, #2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL 1,980' - 660' Section 12, T 21-S, R 23-E "E" FNL FWL		9. API Well No. 30-015-28304
Latitude 32 494790 Longitude 103 562010		10. Field and Pool or Exploratory Area South Dagger Draw / Upper Pen Associated
		11. Country or Parish, State U.S.A. Eddy, New Mexico

12. CHECK THE 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 checked="" 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 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 has completed operations to test the casing on the Bone Flats 12, #2 well on 05/29/2009, at approximately 11:15am, for the attached charted period per "BLM" requirements and conditions of approval, for a prior request to T/A the above described well. Note, this well integrity test was witnessed by the assigned field personnel and "BLM" Inspector. Included for your review is the original 'Well Integrity Chart', and the most current wellbore, as left.

After 10-30-09 the well must be online
or plans to P & A must be submitted.

Accepted for record
NMOCB
DI

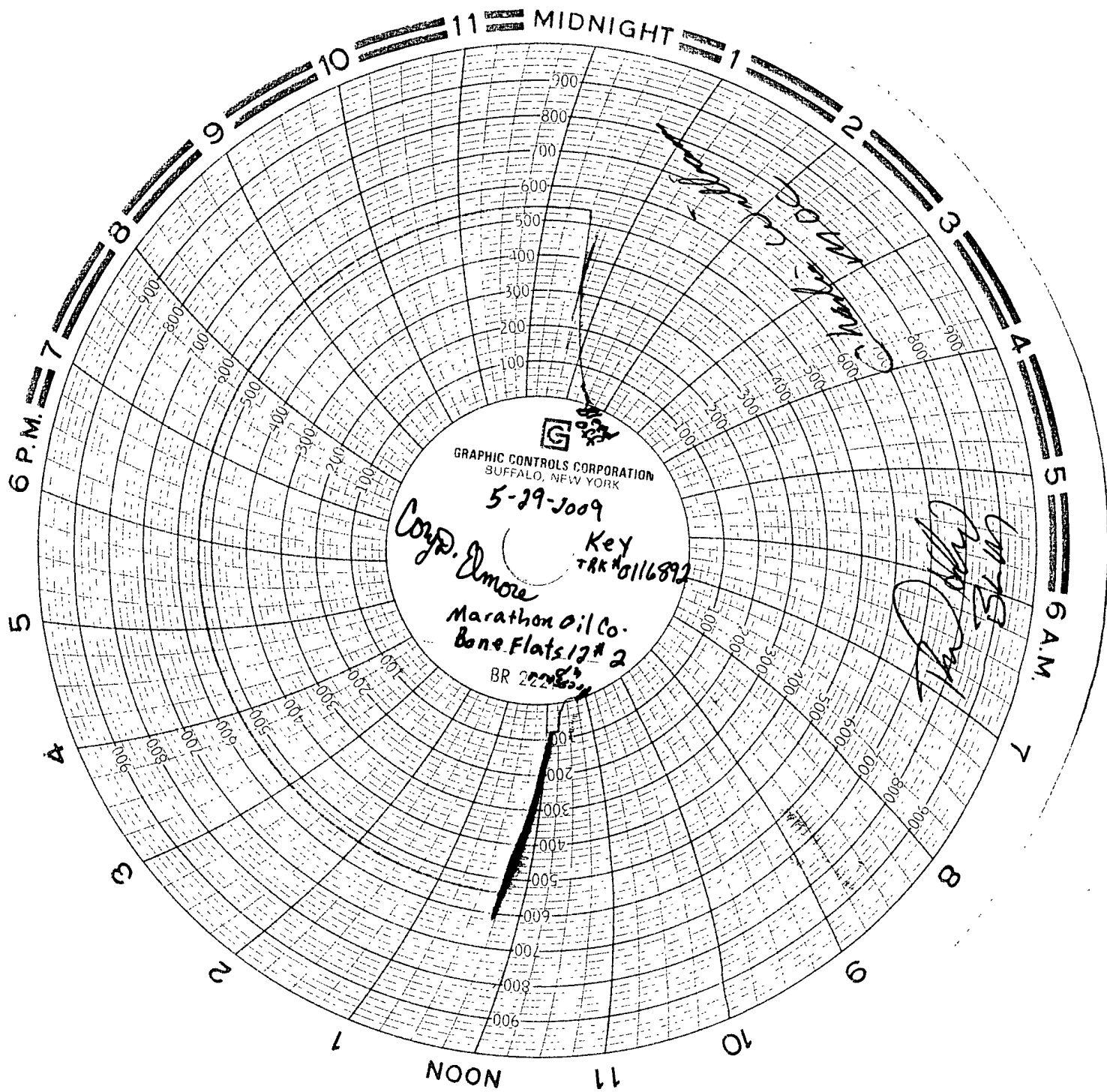
THIS IS THE LAST TA APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Rick R. Schell / rrschell@MarathonOil.com		Title Regulatory Compliance Representative
Signature <i>Rick R. Schell</i>		Date 06/09/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr	Title LPE7	Date 6/22/09
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 CFO	

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Spud: 02/22/95
G.L. Elev.: 3787'
K.B.: 3803'

Bone Flats #2
1980' FNL and 660' FWL
UL "E", Section 12, T-21-S, R-23-E
Eddy County, New Mexico

Conductor Casing
16" Set at 76'. Cmt to
surface w/ Redi-Mix

Surface Casing
9 5/8" 36# Set at 1212', Cmt.
w/ 800 sks. Circ. 350 sks.

CIBP Set at 7724' with 10' of Cement Dump Bailed
on Top

Perforations: 7774'-7848', 7876'-7894' (2 jspf)

Production Casing
7" 23 & 26# Set at 8000',
Cmt. W/1200 sks. Circ. 110

PBTD: 7954'
TD: 8000'

Bone Flats Federal 12 No. 2 Well History

- 04/01/95 Initial Completion. MIRU pulling unit. RIH w/ 6 1/8" bit. Drill out DV tool and cement to 7954' PBTD. Ran cased hole logs. Perforate lower canyon zone from 7876'-94' with 2 SPF and 90 degree phasing. RIH w/ PPI tool and spot 500 gallons 15% NEFE acid. PU and treat perfs in 2' increments with 125 GPF 15% NEFE acid totalling 2250 gallons. RIH with work string and swab. POOH with tubing. Perforate Upper Canyon from 7774'-7848' with 2 SPF and 120 degree phasing. RIH with PPI tool and spot 600 gallons NEFE acid. PU and treat perfs 7774'-7848' with 125 GPF 15% NEFE acid totalling 10,000 gallons. RIH with work string and swab. POOH with tubing. RIH with sub pump. Kick well off to production facility.
- 07/05/96 MIRU. Change out failed submersible pump.
- 02/04/97 MIRU. Change out failed submersible pump.
- 04/17/97 MIRU pulling unit. POOH with failed sub pump. Lot of paraffin, scale, and iron sulfide on tubing and pump. RIH with PPI tool to 7905'. Hot oiled tubing with 35 bbls. Pickled tubing with 28% NEFE acid. Spot 500 gallons 15% NEFE acid across perfs. Acidize perforations in 4' increments with 125 GPF 15% NEFE acid totalling 11,500 gallons. Swab well. POOH with work string and PPI tool. RIH with new sub pump.
- 09/26/97 MIRU pulling unit. POOH with sub pump (grounded cable) laying down tubing. RIH with tubing anchor and seating nipple on new 2 7/8" tubing. RIH with 1 3/4" insert pump on 1 1/4" FG and 1" steel rods. Set and hang on beam pumping unit.
- 01/28/98 MIRU pulling unit. POOH with rods and pump. Hot oiled tubing with 55 bbls. RIH with new pump on rods.
- 05/11/98 Parted pull tube. MIRU pulling unit. POOH with rods. RIH and fished pump. POOH with pump. RIH with new pump.
- 06/30/98 Tubing leak. MIRU pulling unit. Load and test tubing to 500 psi, bled off to 400 psi in 10 minutes. POOH with rods. Rod coupling #69 parted. RIH with overshot and latch onto fish. Pull w/o doubles and started to stack out. POOH with overshot. Rods are packed with paraffin. Made several attempts to clean out paraffin and latch onto fish all unsuccessful. Stripped tubing out of hole to rod part. Unseat pump and POOH with pump. RIH with tubing. Hot oiled tubing. Dropped standing valve and pump down tubing. Never caught pressure. POOH w/ tubing. Hit tight spot at 1885'. Unable to pull past tight spot with tubing anchor. Chemically cut tubing 1.5 joints above TAC. Pick up mill and drill collars. Mill over tight spot. POOH with mill. RIH with overshot and latch onto fish. POOH with fish. RD fishing tools. RIH with RBP. Set RBP below tight and tested casing to 500 psi for 30 minutes. Tested good. POOH with RBP. RIH testing tubing. Run new pump on rods. Hang on rods.
- 11/19/98 Tubing leak. MIRU pulling unit. POOH with rods and pump. Test tubing – leaking. POOH with tubing. Replaced 10 joints due to rod wear. Joint #238 had split. RIH with tubing. Replaced 25 rods due to wear and corrosion. RIH with rods and pump. Rods stacking out. POOH to check rods – paraffin. Hot oiled tubing with 60 bbls. RIH with new pump and rods.
- 04/04/99 Tubing leak. Wear evident on rod couplings. Dropped standing valve, test tbg. Pumped 60 bbls and did not catch pressure. Found split joint @ #230. POOH scanning tubing. Laid down 123 joints of bad tubing. RIH with new tubing – 123 new joints on bottom. RIH with pump

and rods. Rods stacking out due to paraffin. POOH with rods. Hot oiled tubing with 45 bbls. RIH with pump and rods.

03/11/00 Tubing leak. Strapped out tubing because pump would not unseat. RIH with tubing. Scanned tubing OOH and laid down 130 bad joints. RIH with tubing, rods, and pump.

05/02/00 Parted polish rod. MIRU pulling unit. Fished parted polish rod. POOH with rods and pump. RIH with new pump and rods.

06/02/00 Rod part.

07/18/01 Install gas assist plunger lift.

4/23/02: Bottom Dual pad plunger busted. Stem came to surface. Pads, grooved ring, and nose still in hole. Attempt to fish with magnet, and got impression of pads at 3475'. Pressured up tubing through injection gas, leaving tubing closed at surface. Put flowline on choke at header and attempted to blow down tubing. RIH with slickline and tagged TOF @ 7630'. Pumped 5 BBL water down 1 1/4" (1.076" ID) injection line. Dropped trash plunger. Injected to bring plunger to surface and no plunger. RIH w/ slickline and fished plunger @ 7715'. Required jarring once. PU 1" 4' stabilizer sub with 1 MRG ground down on one side. Tagged fish @ 7715' Unable to knock down. Fluid level in tubing @ 7000'. Fluid level in annulus is 220' above SN. Brought in Swab Unit with sandline. Pumped 5 BBLS down CT again, then tagged with block. Jarred down, no success. PU stabilizer sub tool. No success. Bent stabilizer sub tool, no success. Bent sandline jars beating on fish. Final fish depth: Sandline – 7693' Slickline – 7715'

05/23/09 POOH with tubing and coiled tubing. Set CIBP at 7724'. Dump Bail 10' of cement on top of CIBP. Temporarily Abandon Wellbore.