

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

Rm

**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-81677
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	3b. Phone No. (include area code) 713-296-3412	7. If Unit of CA/Agreement, Name and/or No. NM-91035
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL 1,980' - 760', Section 12, T 21-S, R 23-E "L" FSL FWL		8. Well Name and No. Bone Flats 12, #3
		9. API Well No. 30-015-28529
		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 recomplete 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 recompletion 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, #3 well on 05/29/2009, at approximately 11:59am, 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 6-1-09 the well must be online or plans to P & A must be submitted.

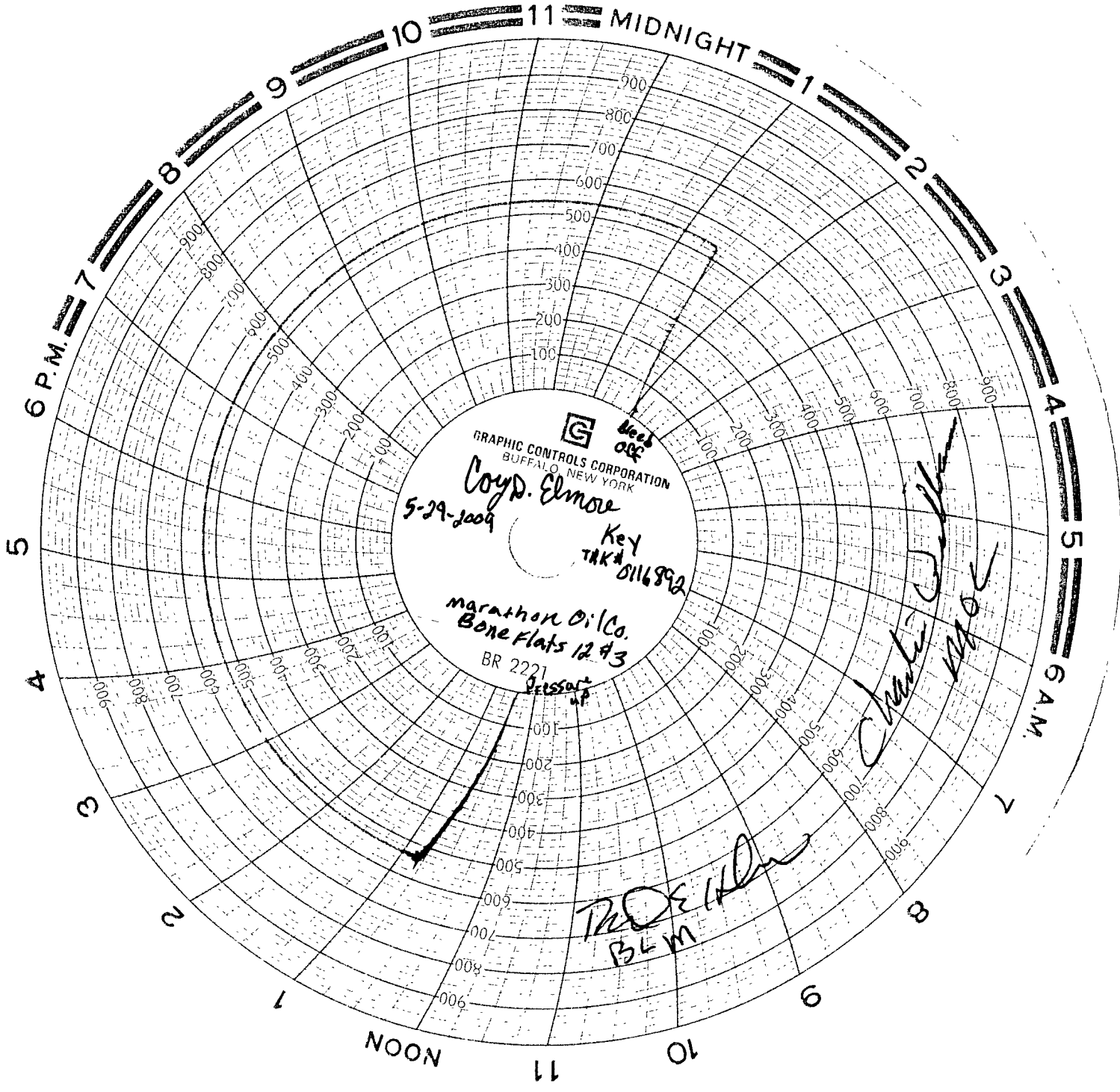
Accepted for record  
NMOCDF

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 LPET	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



GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

Coyp. Elmore

5-29-2009

Key  
TRK# 0116892

marathon Oil Co.  
Bone Flats 12 #3

BR 2221

Sessant

TRK# 0116892  
BLM

Charles J. [Signature]

Need OK

Spud: 06/21/95  
G.L. Elev.: 3741'  
K.B.: 3757'

Bone Flats #3  
Updated 08/25/05  
U.L. "L", 1980' FSL, 760' FWL  
Sec. 12, T-21-S, R-23-E  
Eddy Co., N.M.  
Lease No.: NM-81677  
API No.: 30-015-28529

Intermediate Casing: 9 5/8" 36#, J-55 Csg.  
Set at 1200', Cmt. W/820 sks.

CIBP Set @ 7650 w/ 10' cement dump bailed on top

Old horizontal window: @7720', 101 degrees azimuth.

Abandoned dual lateral horizontal due to hole collapse, plugged window and exposed curve with cement.

New Horizontal Window: 7777'-  
7798', 104.18 degrees azimuth.

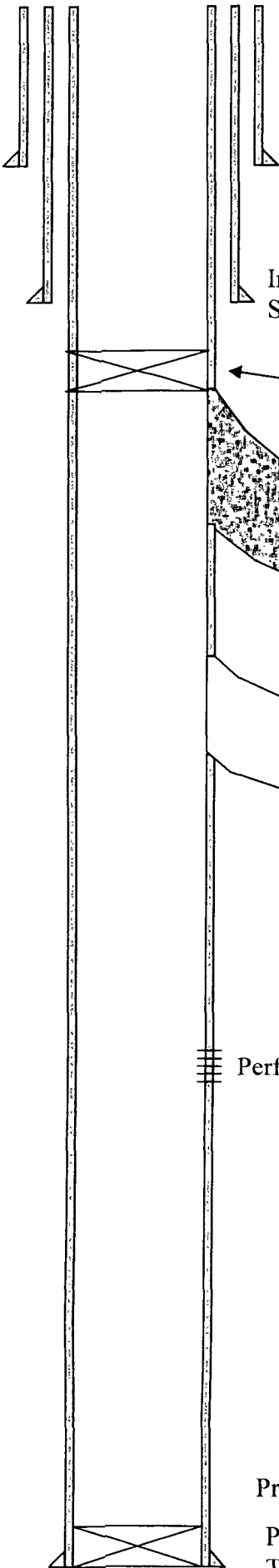
Lateral #1 from 7777' to 8994'  
(MD).

Lateral #2 from 8137'  
(MD) to 9055' (MD)

Perforations: 7778-7868 (squeezed)

Production Casing: 7" Set at 8050', Cmt. W/1125sks. Circ. .

PBTD: 7950'  
TD: 8050'



### Bone Flats #3 WELL HISTORY

- 8/3/95:** Initial Completion in the South Dagger Draw Pool. Perforated from 7778'-7868' with 4 SPF using HEG's gun loaded with 23 GM tungsten charges. Spotted 15% NEFE HCL acid and treated in 2' increments using PPI tool with 125 gallons per increment.
- 8/8/95:** RU Arc Pressure and ran gradient survey BHP – 1765 psi.
- 8/9/95:** RIH w/ Submersible pump (Size ?).
- 11/2/95:** Pulled Sub pump. Found Burned Motor.
- 11/29/95:** Pulled Sub pump. Found burned motor.
- 1/25/96:** Pulled Sub pump. Found burned motor. Replaced w/ 2- TD-750 pumps.
- 2/24/96:** Rod up.
- 10/14/96:** Fish parted rods. Found large amounts of paraffin on rods.
- 12/13/96:** Pull to check for paraffin. Found large amounts of soft paraffin on rods.
- 2/20/97:** Fish parted rods.
- 6/7/97:** Fish parted rods.
- 6/17/97:** Repair pump, and pull tubing to repair tubing leak.
- 10/5/97:** Fish parted rods.
- 11/4/97:** Prep for lateral. Squeezed perfs. Set CIBP @ 7720'.
- 11/25/97:** Recomplete as a dual lateral horizontal. Top of window at 7720', orientation 101 deg. azimuth. Drilled 4 ¾" open hole laterals. Lateral #1 from 7720' (casing window) to 8976' (MD). Kicked off second lateral from lateral #1 KOP @ 7969' (MD) to TD of 8474' (MD). RIH w/ sub pump.
- 3/17/98:** Pull Bad sub pump. Pump stuck in casing below window. Ran free point and cut tubing at 7610'. RIH & latched on to fish. Jarred fish loose (broke sub pump at gas separator, leaving shroud, motors, cable and misc. in hole). LD fish. RIH & made several fishing attempts, fishing out all junk except for ¾" x 15' pump shaft & approximately 150' of cable. Pushed Junk to 7930'. RIH w/ 2 R9 submersible pumps.
- 5/25/98:** Pulled bad sub pump.
- 7/6/98:** Sub pump grounded down hole. Bailed 4' of fill. Ran new ODI pump.
- 7/26/98:** Acidize & clean out laterals. POOH w/sub pump. RIH & tagged PBTD in vertical at 7949'. RIH & tried to enter lateral, but could not get into lateral. Washed & milled through window (7720') several times but could not get further into curve than 7723', and could not get past

obstruction. Ran down hole video camera and found bottom of window forked. RIH w/bent sub & worked pipe for 3 hours, finally getting past and reaching depth of 7724'. RIH w/6 1/8" bit and tapered mill. Did not feel window. Tagged up in vertical casing at 7888' (PBSD is 7949'). RIH w/bailer & bailed fill from 7888' to 7951'. POOH & found bailer & two stands full of shale cuttings. RIH & set 7" CIBP @ 7723'. Loaded casing with produced water. Tested window (7720') to 1000 PSI (plugged solid).

**Abandon horizontal:** RIH w/open ended tubing & spotted 100' cement plug. POOH & pressure tested to 500#. WOC. RIH w/6 1/8" bit & drilled cement from 7623'-7723'. Drilled CIBP & lost all returns after drilling 1' of CIBP. Drilled out CIBP w/no returns. Injected into perms 7778'-7868' @ 6 BPM, 1000#. RIH & set 7" cement retainer at 7653'. Cement squeezed into perms 7778'-7868' w/75 sks thixotropic tailed with 300 sks neat. Squeezed off perms to 1500#. Pull out of retainer & reversed 184 sks to pit. RIH w/ 6 1/2" bit & tagged TOC @ 7630'. Drilled out cement and retainer from 7618'-7870'. Tagged PBSD of 7950'. Circ well bore clean. Tested casing to 1000#. POOH L/D workstring. NU dry hole tree. RDMOPU.

**Drill new horizontal:** MIRUPU. RU wireline & RIH w/junk basket. Tagged at 7698'. POOH & RD wireline. RIH w/6 1/8" bit & 7" scraper and tagged at 7705'. Drilled on obstruction and pushed to bottom at 7948'. POOH, L/D bit & scraper. RIH w/wireline, gauge ring & junk basket. Tagged junk @ 7805'. POOH & emptied mud from basket. RIH a second time & tagged junk @ 7795'. POOH & RD wireline. RIH w/6 1/8" bit & 7" scraper and tagged at 7932'. Reverse circulate well bore clean. POOH & L/D bit & scraper. RIH w/wireline, gauge ring & junk basket to 7880' & POOH, no drag & clean basket. RIH & set CIBP @ 7798'. RIH & set whipstock @ 104.18 degrees azimuth. Milled window from 7777'-7798'. Circ & pump sweep. Drilled first lateral (4 3/4" open hole) from 7777' (window) to 8994' (MD). Drilled second lateral from KOP in 1<sup>st</sup> lateral @ 8137' (MD) to 9055' (MD). Set bridge plug. Secured well & RDMOPU.

**Run production equipment:** MIRUPU. RIH, released bridge plug, POOH L/D bridge plug. RIH, pulled & L/D whipstock. RU & RIH w/drill line bailer. Knocked out CIBP & RIH to TD of 7948'. POOH L/D bailer. RIH w/test sub equipment (2 R9 pumps). Tested well. POOH w/test sub. RIH w/open ended bent sub & entered window. Tagged TD lateral 1 @ 8994' (MD). Pulled back to 8160'. RU coil tubing, RIH & acidized lateral 1 from 8994' to 8160' w/12500 gals. POOH w/CT. Pull back 1 stand, turned pipe 1/2 turn & entered lateral #2. Tagged lateral #2 @ 9055' (MD). Pulled back to 8242'. RIH w/CT and acidized lateral #2 from 8242'-9055' w/12500 gals. POOH w/CT. POOH L/D work string. RIH w/ FC-450 submersible pump.

**1/29/99:** Twisted shaft. PBSD 7950'

**2/25/99:** Rod up. (rotoflex)

**6/18/99:** Pump repair. POOH & shopped pump. POOH w/tubing. P/U AOH tubing & tagged lateral TD's. POOH L/D AOH. RIH w/tubing (has baker chemical injection sub at 129 joints down. Install rods & pump.

**5/22/01:** Prepare well for gas assist plunger lift system. Hot oiled tubing & rods. POOH W/rods & tubing, L/D injection sub. RIH w/tandem watermelon mills & hydrostatic bailer. Tagged @ 7950' & worked bailer. POOH & dumped chamber, recovered 5' of fill. RIH w/tubing string. RDMOPU.

**7/18/01:** Installed gas assist plunger lift system.

**5/29/09:** POOH w/ tubing and 1 ¼" coiled tubing. Set CIBP at 7650'. Dump bail 10' of cement on top of CIBP. Temporarily Abandon Wellbore.