MARATHON OIL COMPANY

Burns "34" State # 1 660' FNL & 1980' FWL Sec. 34, T- 18-S, R-28-E Eddy County, New Mexico

MIRU United # 5, spud 17.5" hole @ 0315 hrs 3/21/98. Drilled to 443'. Ran 10 jts, 13.375", H-40 casing to 443'. Shoe @ 441, insert @ 397'. RU BJ, Cemented surface casing W/ 170 sx 35:65:6,2% cacl, wt 12.3, yield - 2.02. Tailed in W/ 200 sx "C" wt- 14.8, yield - 1.34. Bumped plug and circulated 42 sx to pit. WOC 4 hrs, cut casing and installed 13.625" X 13.375" SOW casing head, NU rotating head and TIH w/ 12.25" bit. WOC 10 hrs. Drilled float equip and air drilled formation to 2962'. TD @ 1515 hrs 4/1/98.

Ran 9-5/8" Intermediate casing as follows: 66 jts 36#, K-55 LTC new casing to 2962'. Shoe @ 2961, float collar @ 2914'. Cemented w/ 550 sx BJ lite, 5 p.p.s. gilsonite, .25 p.p.s. cello, wt - 12.5 ppg, yield - 2.04. Tailed in w/ 200 sx "C" neat wt - 14.8, yield 1.34. Circulated 174 sx to pit. ND BOPE and set slips w/ 80K. NU 13-5/8" 3M X 11" 3M casing head and tested weld to 1000 psi.

Rigged down United, released rig @ 0900 4/1/98. MIRU McVay #7, 4/6/98. Installed 11" 3m dual ram BOPE. Tested rams to 200/1900 psi. PU 12.25" bit and BHA and TIH. Drilled float and cement.

Drilled formation to 11,114', TD @ 1800 hrs, 4/26/98.

Logged well as follows: Platform Express/HALS/BHC Sonic/NGT TD - 7,000'. CNL/GR/CAL - surface.

Ran 7" production casing as follows: 109 jts, (4004.45') 26#, L-80, 49 jts, (2226.51') 26#, K-55, 107 jts (4807.94') 23# K-55, 2 jts, (84.84) 26#, L-80. Shoe @ 11,112', collar @ 11,038', DV @ 8498'.

Cemented production casing w/ 540 sx Modified Super H, .4% CFR-3, 5 pps Gilsonite, .5% Halad -344, 2 p.p.s. NACL, Wt - 13.0, Yield - 1.64. Bumped plug, did not circulate cement.

Cemented 2nd stage w/ 665 sx Interfil "C", wt - 11.9, yield - 2.64. Tailed in w/ 100 sx neat. Did not circulate cement. Estimated cement tops - 1 st stage - 9050', 2nd stage - 7200'.

Set slips w/225K, cut 7", ND BOPE. Released rig @ 1130 hrs 4/29/98.