

MARATHON OIL COMPANY

G. Pagan 26 State #1

800' FNL & 660' FWL

Sec. 26, T- 18-S, R-28-E

Eddy County, New Mexico

MIRU TMBR Sharp # 27, spud 17.5" hole @ 0100 hrs 7/25/98. Drilled to 450'. Ran 10 jts, 13.375", H-40 casing to 450'. Shoe @ 450', float collar @ 403". RU BJ, Cemented surface casing W/ 400 sx class "C", 2% cacl, Wt 14.8, yield - 1.32. Bumped plug and circulated 100 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 formation to 2978'. TD @ 2015 hrs 7/29/98.

Ran 9-5/8" Intermediate casing as follows: 70 jts 36#, K-55, LTC new casing to 2978'. Shoe @ 2968', float collar @ 2920'. Cemented w/ 625 sx BJ lite, 5 pps gilsonite, 5 pps nacl, .25 pps cello, Wt - 11.9 ppg, yield - 2.46. Tailed in w/ 250 sx "C" neat Wt - 14.8, yield 1.34. Did not circulate cement. Plug down @ 0430, 6/6/98. ND BOPE and set slips w/ 80K. NU 13-5/8" 3M X 11" 3M casing head and tested weld to 1000 psi. Estimate TOC @ 149'.

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 10,150' TD @ 1545 hrs, 8/14/98. Logged well as follows: Platform Express W/HALS, NGT/BHC Sonic TD - surf. FMI TD - 8700'. CNL/GR/CAL to surface.

Ran 7" production casing as follows : 3114', 26 # , L-80, 2218', 26# , K-55, 4710', 23# K-55, 94' 26# L-80. Float shoe @ 10,135', Float collar @ 10,051', DV @ 8501'.

Cemented production casing with 350 sx modified Super H, .4% CFR - 3, 5 pps Gilsonite, .5% Halad 344, 2 pps nacl, Wt - 13.0, yield - 1.64. Opened stage tool and did not circ cement, est toc @ 8498'. Cemented 2nd stage w/ 650 sx Interfil C, Wt - 11.9, yield - 2.64. Tailed in w/ 100 sx neat. Bumped plug and did not circulate cement. Plug down @ 2015 hrs, 8/17/98. Est. Toc @ 500'.

Set slips w/ 134K, Installed 11" 3m, X 7-1/16" 5m tubing spool. Released rig @ 0000 hrs 8/17/98.