

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-107  
Revised March 17, 1999

Filing Instructions  
At Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

Marathon Oil Company  
Operator

P O Box 552, Midland, TX  
Address

Indian Federal Gas Com #1

G - 19 - 21S- 24E

Eddy

Lease Well No. Unit Ltr. - Sec - Twp - Rge County

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Upper Penn		Morrow
b. Top and Bottom of Pay Section (Perforations)	7388 - 7533		9226 - 9470
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	0 BOPD 215 MCFD 0 BWPD		0 BOPD 170 MCFD 0 BWPD

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-F)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief.

Signature

*Ginny Larke*

Printed Name & Title Ginny Larke, Engr. Tech.

Date 10/28/02 Telephone 915/687-8321

OIL CONSERVATION

Condition of Approval: Operator to notify  
OCD 48 hrs prior to Packer Leakage Test  
Rule 112(2)(b)

Approved by

*Jim W. Seem*

Title

*District Supervisor*

Date

**NOV 05 2002**

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval -- See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

Spud: 09/17/63  
G.L. Elev.: 3768'  
K.B.: 3779'

Indian Federal No. 1  
Date: 10/21/02  
1980' FNL, 1980' FEL  
Sec. 19, T-21-S, R-24-E  
Eddy Co., N.M.  
API No.: 30-015-10355

20" Conductor Casing  
Set at 35', Cement to Surface  
W/readi-mix.

Intermediate Casing  
13 3/8" Set at 363', Cmt.  
W/775 sks.

Intermediate Casing  
8 5/8" Set at 3114', Cmt.  
W/ 1486 sks.

Perforations:  
Upper Penn (on backside above packer): 7388-7394,  
7419-7426, 7446-7481, 7503-7533 w/4 spf

Tubing:

#Jts	Size	Wgt	Gr	Cpl	Length.	Top	Btm
			KBC		11	0.00	11.00
289	2.375	6.5	L-80	8rd	9048.71	11.00	9059.71
1	On/	Off	Tool		1.29	9059.71	9061
1	PLS	4 1/2"	PKR		3.77	9061	9064.77

4 1/2" PLS Packer  
Top: 9064'

Perforations:  
Morrow: 9226-9240, 9310-9348, 9411-9422,  
9455-9470 w/4 snf

Production Casing  
4 1/2" 11.6#, Csg.  
Set at 9560', Cmt. W/ 825 sks.

PBTD: 9530'  
TD: 9560''

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**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 reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC 063245A
2. Name of Operator MARATHON OIL COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 552 MIDLAND, TX 79702		7. If Unit or CA/Agreement, Name and/or No. SW-290
3b. Phone No. (include area code) Ph: 800.351.1417 Ext: 8321 Fx: 915.687.8305		8. Well Name and No. INDIAN FED. GAS COM 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T21S R24E SWNE 1980FNL 1980FEL		9. API Well No. 30-015-10355
		10. Field and Pool, or Exploratory INDIAN BASIN MRRW/UP PENN ASSC
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input 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 checked="" 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 tested the Upper Penn formation in this well and now proposes to produce both the Upper Penn and the Morrow zones simultaneously. Attached you will find a wellbore diagram of the proposed completion. The Morrow will be produced up the tubing and the Upper Penn will be produced up the casing with the zones being isolated using a 4-1/2" PLS packer set @ 9064'. The Morrow production will be separated through the existing stack pack (2 phase separator), measured, with any liquids being piped to an onsite tank. The liquids are measured using the tank gauge and Colorcut and then truck hauled. The gas production is measured and then enters the Loop Gas Gathering System which transports it to the Indian Basin Gas Plant for processing. The Upper Penn is producing approximately 200 mcf/d of dry gas. No liquids were produced from the Upper Penn during the entire test period. A meter will be installed off the casing side of the well to measure the Upper Penn gas before it enters the Loop Line Gas Gathering System which transports the gas to the Indian Basin Gas Plant for processing.

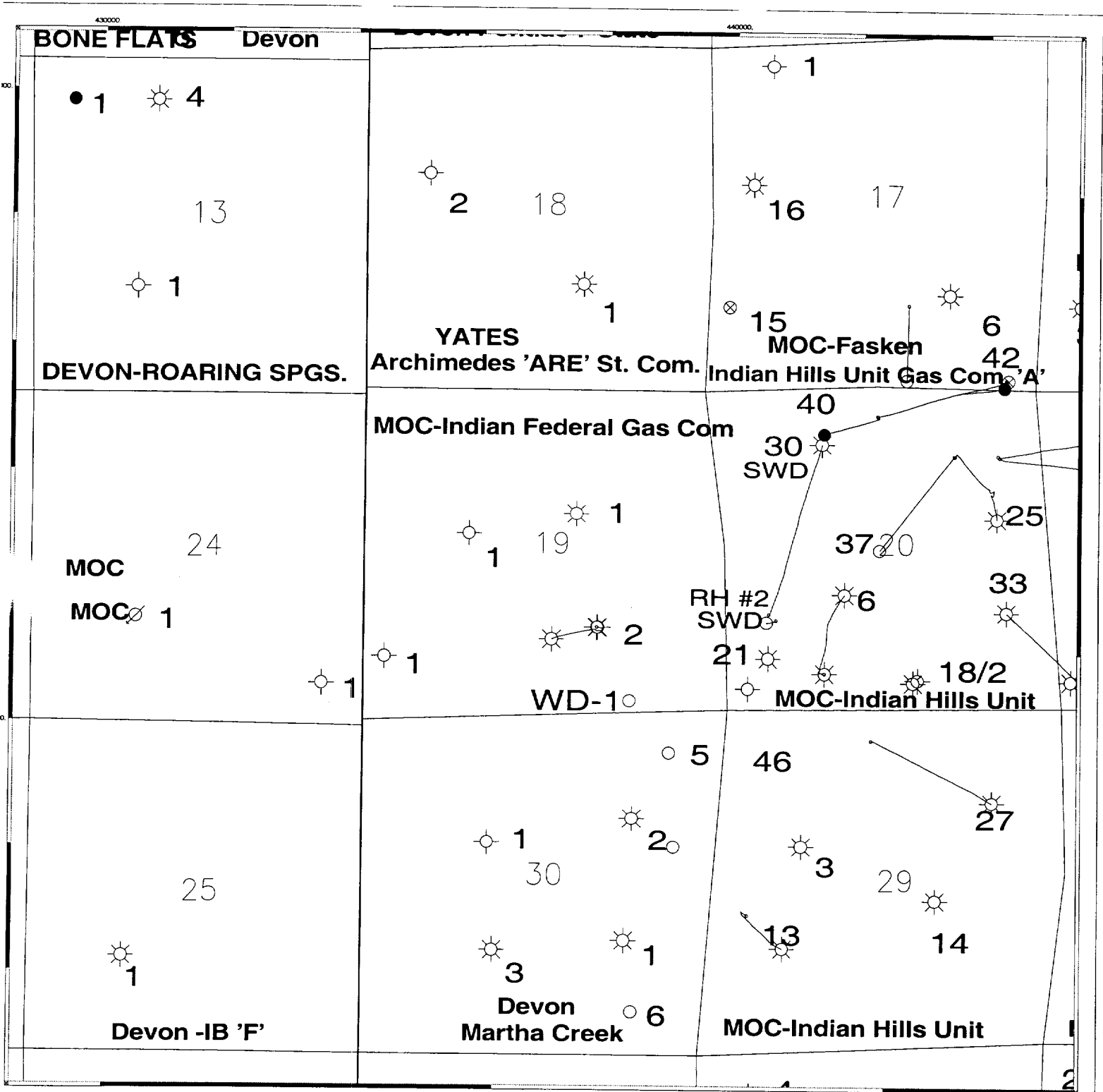
14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #15568 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad</b>	
Name (Printed/Typed) GINNY LARKE	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 10/28/2002

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
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 _____

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.

**\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\***



Marathon Oil Company		
<b>INDIAN BASIN FIELD</b> Indian Federal Gas Com Lease Attachment to Form C-107		
Ginny Larke		10/28/2002
	Scale 1:26038.2	INDFEDDC.GPF

ATTACHMENT TO FORM C-107

INDIAN FEDERAL GAS COM WELL NO. 1

NAMES AND ADDRESSES OF OFFSET OPERATORS

October 28, 2002

Devon Energy  
20 N. Broadway, Suite 1500  
Oklahoma City, OK 73102

Fasken Oil and Ranch  
303 W. Wall, Suite 1800  
Midland, TX 79701

Yates Petroleum  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210