Form 3160-5 (November 1994)

INITED STATES DEPAR MENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS On not use this form for processed to drill or to an anterior.

FORM APPROVED Budget Bureau No. 1004-0135 Expires November 30 2000

5. Lease Serial No.

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| | rproposals to drill or to re-enter an 3160-3 (APD) for such proposals. | 6. If Indian, Allottee or Tribe Name |
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| SUBMIT IN TRIPLICATE | - Other instructions on reverse side 3 4 5 6 7 8 9 | 7. If Unit or CNAgreement, Name and/or No. Indian Hills Unit NMNM 70964X |
| 1. Type of Well Oil Well Well Other | A 01113 | 8. Well Name and No. Indian Hills Unit 2 |
| 2. Name of Operator Marathon Oil Company | 66 FEB 1899 53 75 RECEIVED 43 | 9. API Well No. |
| 3a. Address P.O. Box 552, Midland, TX 79702 | 3b. Phoe Bo (14 phote code) 51 | 30-015-10618 10. Field and Pool, or Exploratory Area |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description UL "0", 660' FSL & 1750' FEL | (ALS) (002) 1020 | Indian Basin Upper Penn 11. County or Parish, State |
| SEC 20, T-21-S, R- 23 -E 2+ | | Eddy, NM |
| | TYPE OF ACTION | |
| TYPE OF SUBMISSION | | on (Start/Resume) Water Shut-Off |
| X Notice of Intent | Acidize Deepen Producti Alter Casing Fracture Treat Reclama | |
| X Subsequent Report | Casing Repair New Construction Recomp | olete Other |
| Final Abandonment Notice | Convert to Injection Plug Back Water D | · |
| testing has been completed. Final Abandonment New determined that the final site is ready for final inspection of the second see attached for Detail. SEE ATTACHED FOR DETAIL | | ion, have been completed, and the operator has |
| CONDITIONS OF APPROV | IAL PLEASE SEND ORIGINAL CO | IT PRESSURE CHART |
| Name (Printed Typed) R. J. LONGMIRE | DRILLING SUPERI | NTENDENT |
| | Date 1/11/99 | |
| | S SPACE FOR FEDERAL OR STATE OFFICE USE | ICINEER Date TO A Q 4000 |
| Conditions of approval, if any are attached. Approval to certify that the applicant holds legal or equitable title to which would entitle the applicant to conduct operations thereon. | o those rights in the subject lease | IGINEER DateFEB 02 1999 |

Indian Hills Unit # 2 U.L. "O" 660' FSL & 1750' FEL Sec. 20, T-21-S, R-24-E Eddy County, New Mexico

12/30/98 - MIRU Key # 920, Tested casing to 500 psi. ND tree NU 7 1/16" 5m BOP. Tested rams to 1000 psi. Release TIW packer, POOH w/ TBG, RIH w/ 4 5/8" bit, 5 1/2" csg scraper to 7320'. POOH. RIH w/ 5 1/2" CIBP, Set CIBP @ 7300'. Ran gyro 7300' - surface in 100' stations. Dump bailed 10' cement 7300' - 7290'. WOC overnight and tagged plug at 7288'. Set CIBP @ 6900', dump bailed 10' cement 6900' - 6890'. POOH w/ tbg, ND BOPE, NU blind flange.

Propose to leave well TA'd until 3 rd quarter 1999 to test Yeso formation at +/- 3300'.