Form 3160 £ June 1990)	UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANA	TERIOR Drawer DD	012811MM	Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Serial No.
Do not use this form for p	RY NOTICES AND REPORTS proposals to drill or to deepen PLICATION FOR PERMIT - " fo	or reentry to a different reservo	ir.	NM 04827-B 5. If Indian, Allottee or Tribe Name
1. Type of Well	SUBMIT IN TRIPLIC	ATE RECEIVE	ED	7. If Unit or CA, Agreement Designation
	Diher	OCT 05.	'94 N	Well Name and No. ACC FEDERAL API Well No.
3. Address and Telephone No. P.O. Box 552, Midland		0. C. D 915/682-1626 ARTESHA, OFF) F11	0. Field and Pool, or exploratory Area
 Location of Well (Footage, Sec., T., R., M., or Survey Description) 760'FNL & 660'FWL, SEC. 1, T-21-S, R-23-E 			1	S.DAGGER DRAW, U.PENN 11. County or Parish, State
		TE NATURE OF NOTICE, REF		
		TYPE OF AC		
Notice of Intent Subsequent Repor		Abandonment Recompletion Plugging Back Casing Repair Altering Casing Other	[[[[[Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection Dispose Water
Describe Proposed or Completed Ope give subsurface locations an SEE ATTACHED DRILL	in measured and due vertical depuis for all if	nd give pertinent dates, including esumated dat harkers and zones pertinent to this work.)*	ie of starting as	
give subsurface locations an	is true and correct	arkers and zones pertinent to this work.)*	e of starting as	Completion or Recompletion Report and Log form.) ay proposed work. If well is directionally drill

MOC FEDERAL NO. 3 760'FNL & 660'FWL SEC. 1, T-21-S, R-23-E EDDY COUNTY, NEW MEXICO

Preset 16" conductor @ 78' & cmt'd to surf w/ redi-mix. MIRU McVay #7, spudded 12-1/4" hole @ 0900 hrs 7-27-94. Drld to 1240', ran 28 jts 9-5/8", 36#, J-55, STC csg to 1240'. Insert float @ 1198'. Mixed & pumped 200 sx Class "H" w/ 12% thixad, 3% CaCl₂, 10#/sk gilsonite, .5# celloseal, 500 sx PSL w/ 3% CaCl₂, 10#/sk gilsonite, .25#/sk celloflake, tailed in w/ 200 sx Class "C" w/ 2% CaCl₂. Circ'd 436 sx to surf.

WOC. Cut csg & weld on 9-5/8"x 11" 3M csg head, tested to 1750#. NU 11#, 5M, dual ram BOPE, 3M annular, rotating head & choke manifold. Tested rams, choke & kill lines, manifold, kelly cocks, & floor valves to 200/3000#. Tested annular to 200/2000#.

TIH & tag cmt @ 1195'; total WOC 20 hrs. Drld cmt & FC 1195-1210'. Tested csg to 1750#, drld cmt to 1230', tested shoe jt to 1750#. Drld cmt & resumed drlg formation w/ 8-3/4" bit.

Drld 8-3/4" hole to 6278'. Single shot svys indicated hole angle of 7.25°. POOH, PU bit, mud motor, 2° bent sub, monel DC. First multi-shot svy @ 6242' indicated azimuth S74W w/ angle of 7.4°. Oriented toolface to 5.50° east. Drld to 6473'. Final multi-shot svy indicated azimuth of 215° w/ angle of 4.2°. POOH w/ motor & bent sub, PU pendulum assy. Drld to 7980'(TD).

NU logging adaptor, pump in sub, W.L. rams & packoff. Logged well as follows: GR/DLL/MSFL/LSS 7980-1240'; DLL/MSFL to 3900'; GR/FMI 7980-4000'; GR/CNL/LDT/NGT 7980'-surf.

RU csg crew, chg rams to 7". Ran 115 jts 7#, 26#, K-55, LTC, 4 jts, 7", 26#, L-80, 59 jts, 23#, K-55, LTC. Float shoe @ 7978', float collar @ 7213', DV tool @ 6179'.

RU Western, mixed & pumped 450 sx Class "H" w/ 5 pps gilsonite, 5 pps CSE, .6% CF-14, .3% WL-1P, displ. w/ 307 bbl mud & wtr. Dropped bomb, opened tool w/ 1000#, circ'd csg, circ'd 85 sx to pit. Pumped 2nd stg lead - 640 sx PSL w/ 5% NAC1, 5 pps gilsonite, .25 pps celloseal. Tailed in w/ 100 sx "C" neat. Bumped plug w/ 3500#. Cmt in place @ 0530 hrs 8-19-94. Circ'd 81 sx to pit. ND BOP's. Set slips w/ 150K. Remove BOP's. NU 11" $3M \times 7-1/16"$ 3M "C" section, tested seals to 2000#. Released rig @ 1200 hrs 8-20-94.

MARATHON OIL COMPANY 8-24-94 WJD:xab