

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator MARATHON OIL COMPANY		7. If Unit or CA/Agreement, Name and/or No. NMNM91035
3a. Address P O BOX 552 MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 915-682.1626	8. Well Name and No. BONE FLAT 12 3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T21S R23E Mer NWSW 1980FSL 760FWL		9. API Well No. 30-015-28529-00-S1
		10. Field and Pool, or Exploratory S DAGGER DRAW
		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 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 checked="" 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.)

Work to install gas assisted plunger lift commenced on 5/22/01. MIRU PU, RD pumping unit, ND wellhead & NU BOPs. POOH w/rods & pump, POOH w/tbg & RIH w/mills & bailer to 7950'. POOH w/tbg & LD mills & bailer. RIH w/killstring. ND BOPs, NU wellhead & RD PU. 7/18/01 - MIRU PU, ND wellhead & NU BOPs. POOH w/killstring & RIH w/bit & DCs. RIH w/tbg to hard tag @ 7942', drill out to 8040' & POH LD tbg, bit & DCs. RU gas lift mandrel & CT unit. RIH w/mandrel, seating nipple & CT string banded to 2-7/8" J-55 tubing. Installed hanger and landed in wellhead. ND BOPs, NU wellhead & RD PU. Gas mandrel @ 8000' seating nipple @ 8004' bottom of tubing @ 8012'. Turned well over to production dept. on 7/31/01.

ACCEPTED FOR RECORD

OCT 9 2001

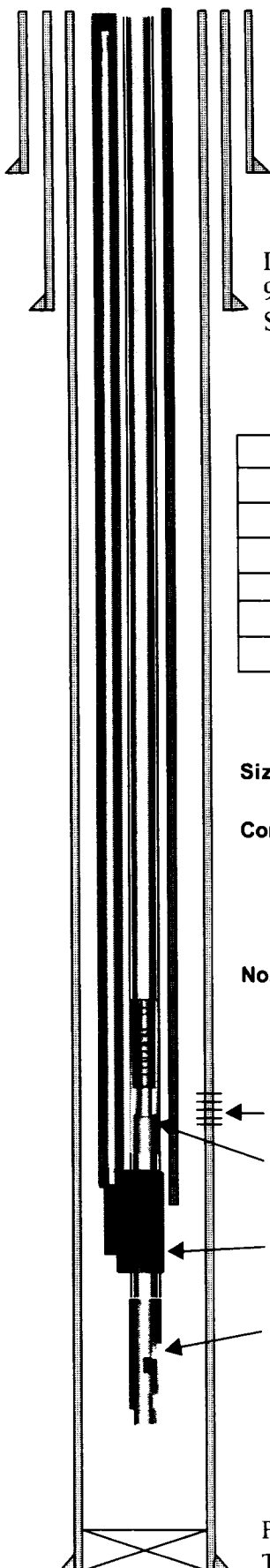
LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct. Electronic Submission #7368 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by Linda askwig on 09/24/2001 (01LA0897SE)	
Name (Printed/Typed) (None Specified)	Title
Signature	Date 09/24/2001

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.



Spud: 06/21/95
G.L. Elev.: 3741'
K.B.: 3757'

13 5/8" Conductor Casing
Set at 16', Cement to Surface
W readi-mix.

Intermediate Casing
9 5/8" 36#, J-55 Csg.
Set at 1200', Cmt. W/820 sks.

Bone Flats #3

Surface Location: U.L. "L", 1980' FSL, 760' FWL
BHL - Lateral #1: 1684' FSL & 1925' FWL
BHL - Lateral #2: 2362' FSL & 1785' FWL
Sec. 12, T-21-S, R-23-E
Eddy Co., N.M.
Lease No.: NM-81677
API No.: 30-015-28529

Well Name: Bone Flats 12 # 3

Date Job: 7/30/2001

Co. Man: Tim Winters

KB: 15

# Joints	Size	Weight	Grade	Cplg	Length	Top	Bottom
					K.B.C.	0.00	15.00
256	2 7/8"	6.5#	J-55	8rd	7984.96	15.00	7999.96
	Gas lift mandrel				3.00	7999.96	8002.96
	Seating nipple				0.66	8002.96	8003.62
	3 1/2"	sub w/ XO			8.55	8003.62	8012.17
249	Total # Joints						

Pump Report

Size: Gas assisted plunger lift

Comments: Gas assisted plunger lift w/ SN @ 8003'
Drilled out vertical PBTD and converted to gas assist plunger lift.
New PBTD: 8040'

No. of Jts & Rods Returned : Returned 249 jts of J-55 tbg
Ran 256 jts of J-55 C2 tbg.

Perfs: 7778'-7868' w/4spf; Squeezed 8/98

Plunger assembly

Gas Lift Mandrel

Standing Valve @ 8003'

Production Casing
7" 23 & 26#, K-55 Csg.
Set at 8050', Cmt. W/1125 sks., Circ. 75 sks.

PBTD: 8040'
TD: 8050'

SE Lateral #1 - Drilled & Completed 12/8/97
Open Hole 7777'-8984' MD
7774'-7790' TVD; KOP 7720'
NE Lateral #2 - Drilled & Completed 12/8/98
Open Hole 8137'-9055' MD
7842'-7789' TVD; KOP - 7777'

WELL HISTORY Bone Flats #3

8/3/95 Initial Completion in the South Dagger Draw Pool. Perforated from 7778'-7868' using HEG's gun loaded with 23 GM tungsten charges. Spotted 15% NEFE HCL acid and treated in 2' increments using PPI tool with 125 gallons per increment.

8/8/95 RU Arc Pressure and ran gradient survey BHP – 1765 psi.

8/9/95 RIH w/ Submersible pump (Size ?).

11/2/95 Pulled Sub pump. Found Burned Motor.

11/29/95 Pulled Sub pump. Found burned motor.

1/25/96 Pulled Sub pump. Found burned motor. Replaced w/ 2- TD-750 pumps.

2/24/96 Rod up.

10/14/96 Fish parted rods. Found large amounts of paraffin on rods.

12/13/96 Pull to check for paraffin. Found large amounts of soft paraffin on rods.

2/20/97 Fish parted rods.

6/7/97 Fish parted rods.

6/17/97 Repair pump, and pull tubing to repair tubing leak.

10/5/97 Fish parted rods.

11/4/97 Prep for lateral. KOP 7720'

12/2/97 RU B.J. Coiltech Vortex tool on 1.75" coil. Acidize lateral w/ 425 bbls of 15% HCL.

12/8/97 RIH w/ sub pump.

3/17/98 Pull Bad sub pump

3/26/98 Fish Sub pump.

4/8/98 Pushed Junk to 7930'

4/9/98 RIH w/ 2 R9 submersible pumps.

5/25/98 Pulled bad sub pump.

7/6/98 Sub pump grounded down hole.

7/26/98 Acidize & clean lateral.

Well History (continued)

8/18/98 Squzd perfs from 7778-7868' using 75 sks. of THIX tailed w/ 300 sacks of "H" neat. Drilled out Cement and tagged PDTD @ 7950'.

9/27/98 RIH w/ gauge ring and junk basket. Tagged junk @ 7805'. RIH and set CIBP @ 7798. Drill second lateral.

10/24/98 RIH w/ 2 R9 submersible pumps.

10/31/98 Acidize lateral

11/7/98 Swab and downsize sub pump.

11/21/98 Acidize lateral

12/3/98 RIH w/ FC-450 submersible pump.

1/29/99 Twisted shaft. PBTD 7950'

2/25/99 Rod up. (rotoflex)

7/31/01 Install Gas Assisted Plunger Lift system.