

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau 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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Marathon Oil Company

3a. Address
P.O. Box 552, Midland, TX 79702

3b. Phone No. (include area code)
1-800-351-1417

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: U.L. "F", 1850' FNL & 1950' FWL, SEC. 27, T-21-S, R-23-E
BHL: U.L. "H", 2500' FNL & 700' FEL, SEC. 27, T-21-S, R-23-E

5. Lease Serial No.

NM 070522 A

If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
INDIAN BASIN "E" 2

9. API Well No.
30-015-29017

10. Field and Pool, or Exploratory Area
INDIAN BASIN UPPER PENN

11. County or Parish, State
EDDY COUNTY, NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other HORIZONTAL

LATERAL

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 recomplete 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 recompletion 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 final site is ready for final inspection.)
PROPOSE TO DRILL HORIZONTAL LATERAL.

NO NEW SURFACE AREA SHALL BE DISTURBED.

SEE ATTACHED PROCEDURE FOR DETAIL.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
R. J. LONGMIRE

W. J. Owens

Title

DRILLING SUPERINTENDENT

Date

1/5/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

Title

PETROLEUM ENGINEER

Date

JAN 07 2000

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, makes 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.

(Instructions on reverse)

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Encl., Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-29017		² Pool Code 79040		³ Pool Name INDIAN BASIN, UPPER PENN	
⁴ Property Code 6407		⁵ Property Name INDIAN BASIN "E"			⁶ Well Number 2
⁷ OGRID No. 14021		⁸ Operator Name MARATHON OIL COMPANY			⁹ Elevation 3909' GL

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
F	27	21-S	23-E		1850	NORTH	1950	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	27	21-S	23-E		2500	NORTH	700	EAST	EDDY
¹² Dedicated Acres 640		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

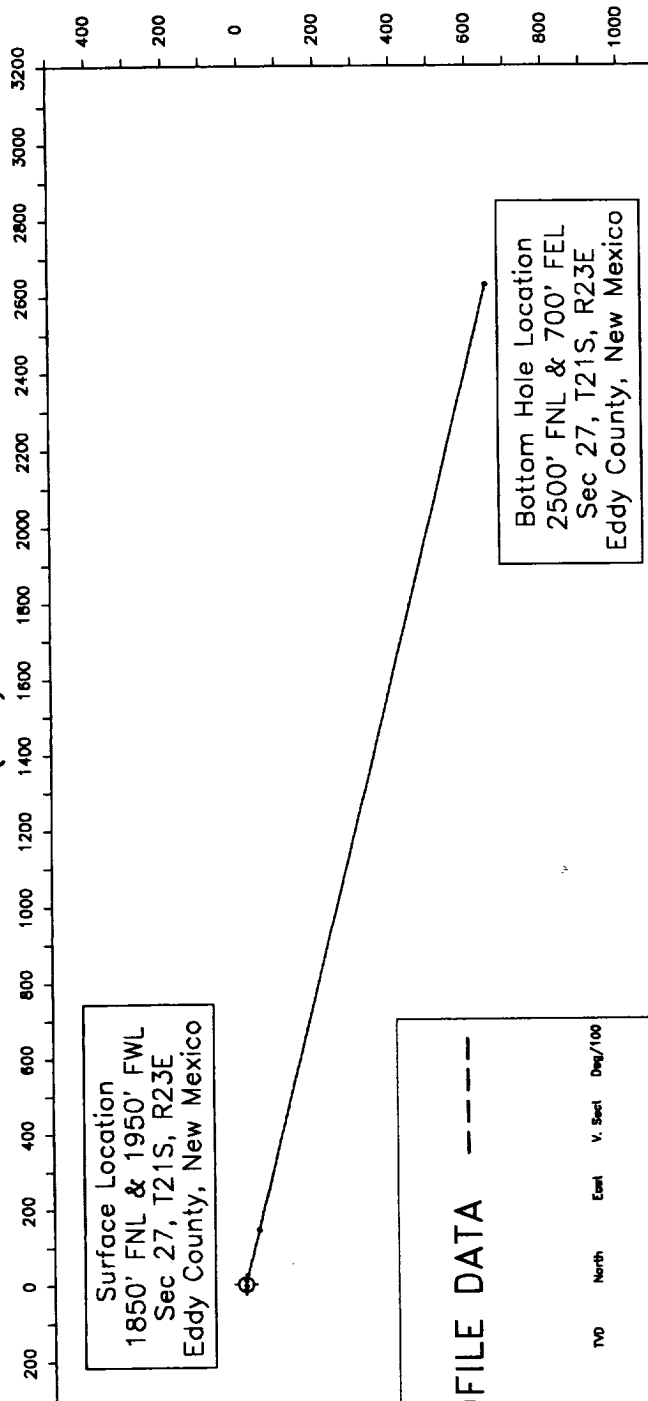
				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature: <u>W. J. Longmire</u> Printed Name: <u>R. J. LONGMIRE</u> Title: <u>DRILLING SUPERINTENDENT</u> Date: <u>1/5/00</u>	
				¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey: _____ Signature and Seal of Professional Surveyer: _____ Certificate Number: _____	

MARATHON OIL COMPANY

Structure : Indian Basin E No.2 Slot : slot #1
Field : NIBU Location : Eddy County New Mexico



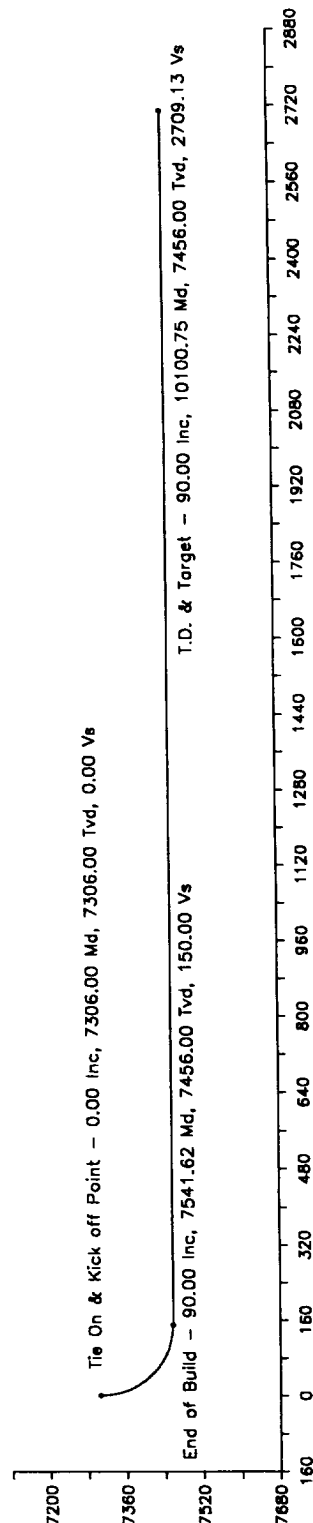
East (feet) -->



WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
KOP	7306.00	0.00	103.88	7306.00	0.00	0.00	0.00	0.00
End of Build	7341.62	90.00	103.88	7456.00	-35.99	145.62	150.00	38.20
T.D. & Target	10100.75	90.00	103.88	7486.00	-890.00	2850.00	2709.13	0.00

-- True Vertical Depth (feet)



Vertical Section (feet) -->

Azimuth 103.88 with reference 0.00 N, 0.00 E from slot #1



INTEQ

MARATHON OIL COMPANY
Indian Basin "E" No.2,slot #1
NIBU,Eddy County New Mexico

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect
7306.00	0.00	103.88	7306.00	0.00 E	0.00	0.00
7406.00	38.20	103.88	7398.76	31.18 E	38.20	32.12
7506.00	76.39	103.88	7451.79	111.36 E	38.20	114.71
7541.62	90.00	103.88	7456.00	145.62 E	38.20	150.00
8000.00	90.00	103.88	7456.00	590.61 E	0.00	608.38
8500.00	90.00	103.88	7456.00	1076.01 E	0.00	1108.38
9000.00	90.00	103.88	7456.00	1561.40 E	0.00	1608.38
9500.00	90.00	103.88	7456.00	2046.80 E	0.00	2108.38
10000.00	90.00	103.88	7456.00	2532.19 E	0.00	2608.38
10100.75	90.00	103.88	7456.00	2630.00 E	0.00	2709.13

All data is in feet unless otherwise stated.
Coordinates from slot #1 and TVD from rotary table.
Bottom hole distance is 2709.13 on azimuth 103.88 degrees from wellhead.
Vertical section is from wellhead on azimuth 103.88 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes INTEQ

Safety:

- Hold daily safety meetings explaining the proposed procedure.
- H2S concentration - 5,000 PPM
- Keep TIW on floor for all pipe connections all times.
- Use 10# Brine to kill well if necessary.

1. Lockout/tagout energy source. RDMO pumping unit. Prepare location as necessary for pulling unit. Test safety anchors to 22,500#, if necessary.
2. MIRU pulling unit. Kill well as necessary. Install rod stripper. Unseat pump and TOOH w/ rods, laying down. Install 7 1/16" 3M dual ram hydraulic BOP (blind rams on bottom and 2 7/8" pipe rams on top) with Torus annular. TOOH w/ tubing.
3. RU wireline company. Install and test lubricator. Make gage ring run to 7,750'. Set top of 7" CIBP at 7,720' MD (5' above casing collar at 7,725'). RD wireline company.
4. TIH w/ 2 7/8" O.D. tubing. Test plug to 1000 psi. Hot water tubing to clean up paraffin. Circulate hole clean w/ fresh water. TOOH w/ 2 7/8" O.D. tubing, laying down. ND BOPE. NU 7 1/16" 3M X 2 7/8" 8rd EUE adapter flange. Install 2 7/8" master valve. RDMO pulling unit.
5. Clean location. Build and line 40' X 40' X 6' dump pit. MIRU horizontal pulling unit package. NU 7 1/16" 3M dual ram hydraulic BOP (with blind rams on bottom and 2 7/8" pipe rams on top) and 7 1/16" 3M annular. Test BOPE to 250/1500 psi. with test plug.
6. TIH w/ 6 1/8" window mill, smooth OD watermelon mill and casing scraper while picking up 2 7/8" O.D., 10.4#, S-135, AOH drillpipe to 7,720' MD. Set 20K on CIBP at 7,720' MD. Adjust tally and TOOH.
7. PU 7" Weatherford 3 Degree "WhipBack" whipstock assembly, starting mill, and orientation sub. TIH w/ 2 7/8" O.D., 10.4#, S-135 AOH drillpipe to 10' above CIBP. RU Wireline unit. RU and run SRG to orient whipstock at 101 degrees azimuth. Land whipstock on CIBP and re-check azimuth. Set whipstock and re-check azimuth. Release starting mill and start casing exit w/ starting mill. TOOH. PU Window mill, and Watermelon mill. TIH. Finish casing exit. TOOH. TIH w/ 6 1/8" bit, watermelon mill, watermelon mill on 2 7/8" DP. Open up casing exit and drill pilot hole to at least 7,720' MD. Window to be cut with fresh water. Circulate hole clean TOOH.
8. PU 4 3/4" Reed EHP 53 bit, 3 1/8" M1X motor, 2 7/8" O.D. Monel DC, MWD flow sub, and orienting sub, followed by 2,600' of 2 7/8" O.D., 10.4#, S-135, AOH drillpipe, and 20 - 4 1/8" X 2" DC's on 2 7/8" O.D., AOH drillpipe. Note - 4 1/8" DC's must drift 2" I.D.
9. Orient motor to 101 degrees azimuth using SRG gyro. Control drill 15' at 2-3'/hour for 15 feet. Run SRG gyro survey to confirm orientation. Drill curve section as per the attached directional program. Pump xanthan sweeps as necessary to clean the hole. TOOH.
10. PU 4 3/4" Reed EHP 53 bit, 3 1/8" M1XL motor, 2 7/8" O.D. Monel DC, and MWD flow sub on 2,600' 2 7/8" O.D., 10.4#, S-135, AOH drillpipe, and 20 - 4 1/8" X 2" DC's on 2 7/8" O.D., AOH drillpipe. Drill 1st lateral section as per the attached directional program using fresh water and xanthan sweeps as necessary. Pull back to 8,078' and time drill with left side tool face to sidetrack out of the 1st lateral. Drill 2nd lateral as per the attached directional program. After second lateral is drilled, circulate hole clean and displace hole with 2% KCL water.
11. TIH w/ 7" retrievable bridgeplug on the 2 7/8" tubing. Set bridgeplug at 7650'. ND BOPE, NU wellhead. RDMO Horizontal PU.
12. Clean up location. MIRU pulling unit. PU and RIH to retrieve RBP. TOH with RBP. PU and RIH with 2 7/8" tubing and packer, setting at approximately 7650'. RU swab lubricator. Swab well and evaluate fluid entry. Stimulation will be based upon fluid entry. If the well does not flow, the whipstock will be retrieved and the CIBP @ 7,720' will be knocked to bottom to provide a sump for a rod pump installation.