

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS
N.M. Oil Co. Division
811 S. 1st
Artesia, NM 87003-2834

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

CISF

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)
915/687-8356

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL - 1980' E&L & 660' FEL, SEC. 15, T-21-S, R-23-E
BHL - 700' FNL & 700' FEL, SEC. 15, T-21-S, R-23-E

SUBJECT TO
LIKE APPROVAL
BY STATE

Lease Serial No.

NM-0384628

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SW 280

8. Well Name and No.
FED. IBA GAS COM #2

9. API Well No.
30-015-30041

10. Field and Pool, or Exploratory Area
S.DAGGER DRAW, U.PENN ASSOC

11. County or Parish, State
EDDY 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 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 final site is ready for final inspection.)

PROPOSE TO DRILL HORIZONTAL LATERAL FROM AN EXISTING WELL BORE.

KOP - 7655', EOB - 7812' MD, 7749' TVD

BHL - 10,318' MD, 7540' TVD, AZ - 359 DEGREES

NO NEW SURFACE 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

R. J. Longmire

Title
DRILLING SUPERINTENDENT

Date
4/26/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
(ORIG. SGD.) ALEXIS C. SWOBODA

Title
PETROLEUM ENGINEER Date
MAY 04 1999

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.

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.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-30041	Pool Code 15475	Pool Name South Dagger Draw, U. Penn Assoc.
Property Code 6390	Property Name FEDERAL IBA GAS COM.	Well Number 2
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3812

Surface Location

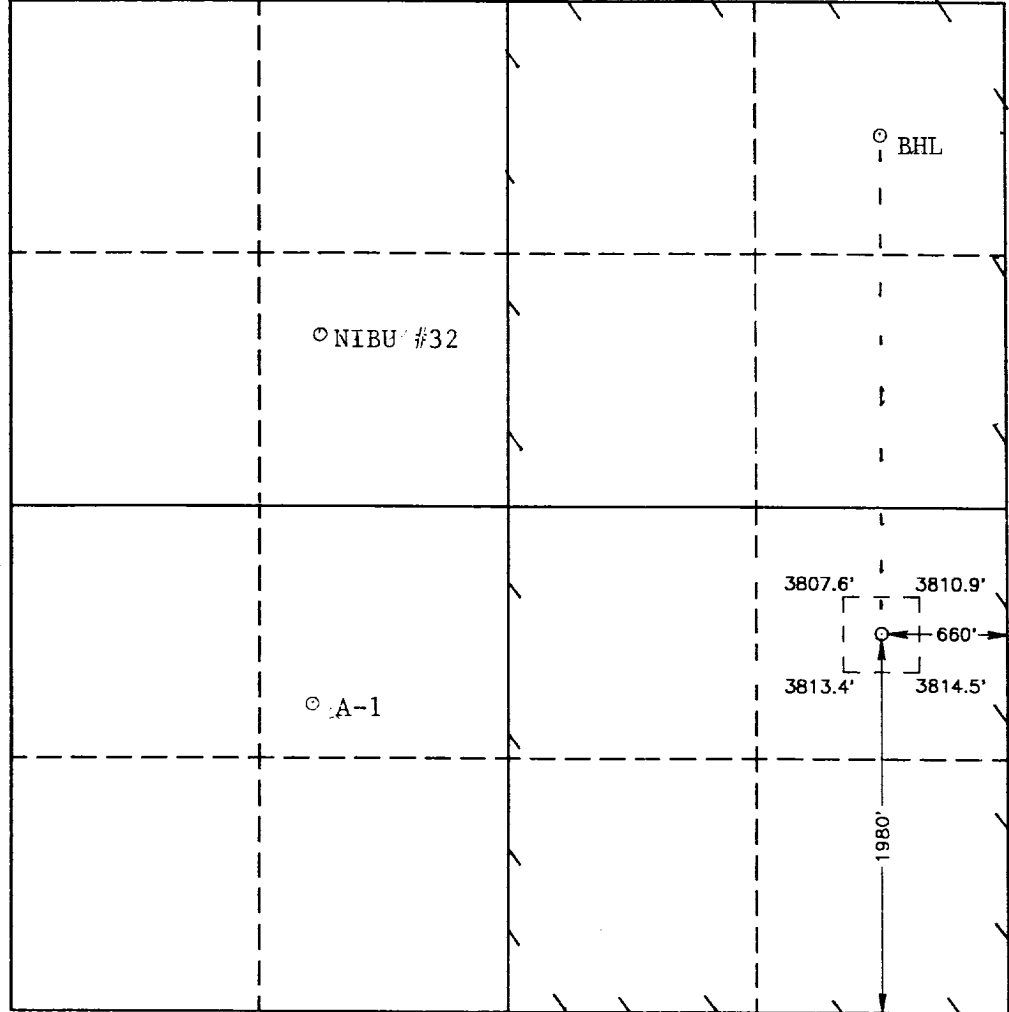
UL or lot No. 1	Section 15	Township 21 S	Range 23 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 320.42	Joint or Infill	Consolidation Code	Order No.
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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

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>R. J. Longmire</i> Signature R. J. Longmire Printed Name Drilling Superintendent Title 4/26/99 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>OCTOBER 13, 1997 Date Surveyed Signature & Seal of Professional Surveyor RONALD J. EIDSON W.O. Num. 97-115662 Certificate No. RONALD J. EIDSON, 3239 GARY C. EIDSON, 12841</p>
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MARATHON OIL COMPANY

Structure : Federal IB A Gas Cam No.2 Slot : slot #1
Field : Indian Basin Location : EDDY COUNTY, NM.

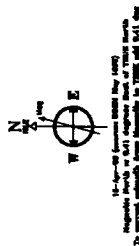
Credited by bar/w
Data plotted : 15-Apr-99
Plot Reference is 80.3 Deg BUR 4-15-99.
Coordinates are in feet reference slot #1.
True Vertical Depths are reference rotary table.
--- Baker Hughes INTEQ ---

WELL PROFILE DATA

Point	MD	Inc	Dlr	Tvd	North	East	V. Sect	Deg/100
Tie on	7865.00	0.00	0.00	7855.00	0.00	0.00	0.00	0.00
End of Build/Turn	7804.23	90.00	359.12	7750.00	94.99	-1.48	95.00	60.31
End of Build	7812.18	94.80	359.12	7749.67	102.94	-1.58	102.95	60.30
T.D. & End of Hold	10318.33	94.80	359.12	7540.00	2600.00	-39.94	2600.31	0.00

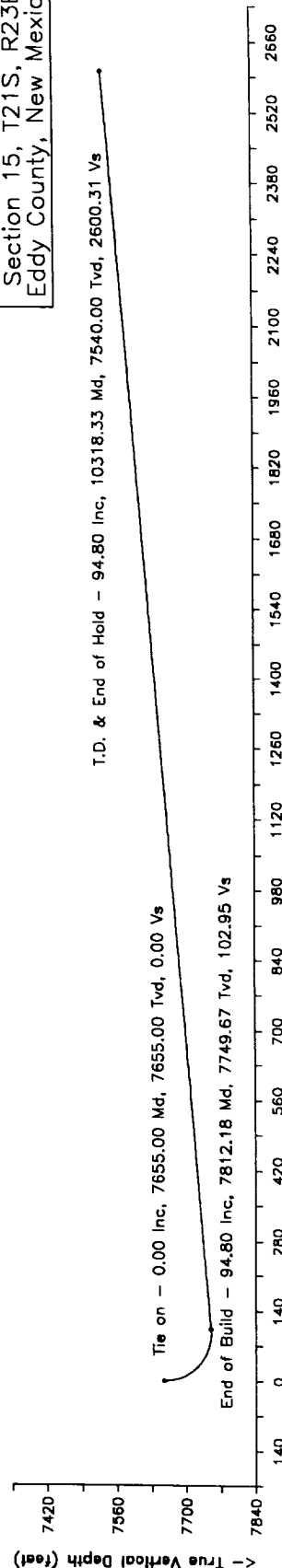


INTEQ



15-Apr-99
Baker Hughes INTEQ
To correct, add/subtract from Magnetic to True and vice versa

^ - North (feet)



Vertical Section (feet) ->

Azimuth 359.12 with reference 0.00 N, 0.00 E from slot #1

MARATHON OIL COMPANY
Federal IB A Gas Com No.2,slot #1
Indian Basin,EDDY COUNTY, NM.

PROPOSAL LISTING Page 1
Your ref : 60.3 Deg BUR 4-15-99
Last revised : 15-Apr-99

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Depth	R C O O	E C T A N D I	A N G L E S	Dogleg Deg/100ft	Vert Sect
7655.00	0.00	0.00	7655.00	0.00	N	0.00	0.00	0.00
7700.00	27.14	359.12	7698.34	10.46	N	0.16	60.31	10.46
7800.00	87.45	359.12	7749.91	90.77	N	1.39	60.31	90.78
7804.23	90.00	359.12	7750.00	94.99	N	1.46	60.31	95.00
7812.18	94.80	359.12	7749.67	102.94	N	1.58	60.30	102.95
3000.00	94.80	359.12	7733.95	290.07	N	4.46	0.00	290.11
3500.00	94.80	359.12	7692.12	788.26	N	12.11	0.00	788.35
3000.00	94.80	359.12	7650.29	1286.45	N	19.76	0.00	1286.60
3500.00	94.80	359.12	7608.46	1784.64	N	27.41	0.00	1784.85
3000.00	94.80	359.12	7566.63	2282.83	N	35.06	0.00	2283.10
318.33	94.80	359.12	7540.00	2600.00	N	39.94	0.00	2600.31

All data is in feet unless otherwise stated.
Coordinates from slot #1 and TVD from rotary table.
Bottom hole distance is 2600.31 on azimuth 359.12 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 359.12 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 rig floor for all pipe connections at 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 1" 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 1" 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.

RECEIVED
APR 27 30
ROSWELL NM