Marathon Oil Company

Indian Hills Unit #18 409' FSL & 2324' FEL Section 20, T-21-S, R-24-E Eddy County, N.M. API # 30-015-30564

1/26/99, MIRU McVay # 4, Spud 12.25" hole @ 1200 hrs, 1/27/99. Drilled to 1210'. Ran 31 jts, 9.625",36 #, K-55, STC casing to 1210', shoe @ 1209', Float collar @ 1172'. Cemented W/ 200 sx Thixset Wt-14.0, yield- 1.52, followed by 155 sx. Premium plus Wt -- 12.4, yield - 2.02. Tailed in w/ 200 sx premium plus neat, Wt 14.8, yield - 1.34. Did not circulate cement. WOC 5 hrs, tagged TOC @ 288'. Circulated cement after 5 - 1" stages w/ total of 325 sx neat cement. WOC 5 welded on 9.625" SOW X 11" 3M casing head. Tested weld to 1500 psi. N.U. 11" 3M dual ram and annular BOPE, choke manifold and kill line. Tested BOPE to 3000/300 psi. Tested annular to 2000 psi. P.U. 8.75" bit and TIH to TOC @ 1150', tested casing to 1000 psi. Drilled shoe and formation to 8150' TD @ 1445 hrs 2/10/99. R.U. Schlumberger, ran Platform - Express w/ HALS/NGT 8063' - Surface.

Changed rams to 7", ran 71 jts, 26 #, K-55, 103 jts, 23 #, K-55, 2 jts, 26 #, K-55 LTC casing to 8120'. Shoe @ 8119', float collar @ 8072', D.V. @ 6271'. Cemented St.. stage w/ 200 sx Premium Plus w/ 350 Scf N2, Wt - 9.2, yield - 1.18. Tailed in w/ 200 sx Premium Plus foamed w/ 150 SCF N2, Wt - 13.2, yield 1.18. Set ECP & dropped bomb, opened D.V. tool @ 6271', circulated out gas and water. Cemented 2nd stage w/ 590 sx. Interfil "C" w/ .25 p.p.s. flocele, 3 p.p.s. Gilsonite, .2% Halad - 22, Wt - 11.9, yield - 2.47. Tailed in w 100 sx neat. Plug down @ 1345 hrs, 2/13/99. Circulated 100 sx to surface.

ND BOPE and set slips, NU 11" 3M X 7 1/16" 3M tubing spool. Tested seals to 1000 psi. Released rig @ 2000 hrs 2/13/99.

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