Marathon Oil Company

Indian Basin 32 # 4 660' FNL & 810' FWL Section 32, T-21-S, R-24-E Eddy County, N.M.

5/17/99, MIRU United# 4, Spud 12.25" hole @ 1800 hrs, 5/17/99. Air drilled to 1200'. Ran 28 jts, 9.625", 36 #, K-55, STC casing to 1230', shoe @ 1230', Float collar @ 1158'. Cemented W/ 200 sx "H" Wt-14.6, yield- 1.51, followed by 189 sx. 35/65/6 Wt – 12.4, yield - 2.02. Tailed in w/ 150 sx premium plus neat, Wt 14.8, yield - 1.34. Did not circulate cement.Ran Temp Survey, found TOC @ 680' Tagged cement @ 680'. Cemented w/ 1" tubing, 165 sx, Class "C" in 4 stages to 475'. Dumped 10 CY of pea gravel in annulus. Cemented to surface w/ 225 sx cement in 4 stages. Welded 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 @ 1178', tested casing to 1000 psi. Rigged down United, Rigged up Mc Vay #4Drilled shoe and formation to 8105' TD @ 0830 hrs 6/4/99. R.U. Schlumberger, ran Platform - Express w/ HALS/NGT 8041' - Surface.

Changed rams to 7", ran 66 jts, 26 #, K-55, 104 jts, 23 #, K-55, 2 jts, 26 #, K-55 LTC casing to 8105'. Shoe @ 8105', float collar @ 8057', D.V. @ 5921'. Cemented 1St.. stage w/ 250 sx Premium Plus w/ 18,500 Scf N2, Wt - 9.2, yield - 1.18. Tailed in w/ 200 sx Premium Plus foamed w/ 6300 SCF N2, Wt – 13.0, yield 1.18. Set ECP & dropped bomb, opened D.V. tool @ 5921', circulated out gas and water, had full returns, circulated out 15 sx cement. Cemented 2nd stage w/ 500 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 @ 0145 rs, 3/20/99. Circulated 20 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 @ 0300 hrs 6/7/99.