Form 3160-5

) STATES

| | FORM APPROVED |
|-------------------|--|
| V.M. Oil Cons. Di | vision OMB NO. 1004-0135 Expires: November 30, 2000 |
| 311 S. 1st Street | 5. Lease Serial No. |

(August 1999) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS, NM 8821 283 If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or N SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well 8. Well Name and No. Oil Well X Gas Well Other SMITH FEDERAL #3 2. Name of Operator Marathon Oil Company 9. API Well No. 3b. Phone No. (include area code) 3a. Address 30-015-31342 800-351-1417 10. Field and Pool, or Exploratory Area P.O. Box 552 Midland, TX 79702 INDIAN BASIN UPPER PENN GAS 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL "H", 1514' FNL, 870' FEL 11. County or Parish, State SECTION 11, T-22-S, R-23-E CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION X Production (Start/Resume) Water Shut-Off Deepen Acidize Notice of Intent Reclamation Well Integrity Alter Casing Fracture Treat Subsequent Report New Construction Recomplete Other **INITIAL** Casing Repair Plug and Abandon Temporarily Abandon Change Plans COMPLETION Final Abandonment Notice Water Disposal Convert to Injection Plug Back 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.) 11/15/00 MIRU PU & Reverse Unit. NU BOP & ND wellhead. PU & RIH w/bit & DCs on 2-7/8" tbg. Tagged cement @ 6347'. Drilled cement and DV tool to float collar at 8322'. Displaced hole with fresh water.

Ram NGT, SDT & CNL from loggers TD 8215' to 7700'. RU wireline & perf 7960'-7964', 7892'-7902', 7828'-7848', 7594'-7612', 7544'-7562', 7492'-7512', 7472'-7492', 7452'-7472', 7432'-7452', 7412'-7432', 7392'-7412', 7372'-7392', 7364'-7372' w/4 JSPF @ 120 degree phasing for a total of 872 holes. RD wireline, RIH w/RTTS packer & set @ 7750'. Acid frac perfs from 7828'-7964' w/3000 gals. gelled acid w/4500 gals. spacer. Max pressure-5500 psi, Max Rate-11.9 bpm, Avg pressure-5000 psi, Avg Rate-9 bpm, flushed w/63 bbls fresh water. Flowed acid load to frac tank & swabbed, recovering 200 bbls water. Acidized perfs 7364'-7612' w/14,500 gals. acid, 2' spacing. Set packer @ 7282' & swabbed recovering 62 bbls water. Released packer & POOH, RIH w/RBP to 3500' & set, Tested RBP to 1000#, & POOH w/tbg. RIH w/ESP sub pump on 2-7/8" tbg. Bottom of production assembly @ 8286', bottom of sub pump @ 8275', top of

sub pump @ 8195'. ND BOP, NU wellhead & turned well over to production on 12/1/00

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

Hittis SCHOOL LANGE PROGRAM Title I hereby certify that the foregoing & true and correct Name *(Printed/Typed)* Engineer Technician Ginny Larke Date 1/9/01 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date Title Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrant or Office 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, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United