

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

WELL API NO. 30-015-32355
~~NOT assigned~~

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

Indian Hills Unit

Indian Hills Unit

8. Well No.

42

9. Pool name or Wildcat

Indian Basin Upper Penn. Assoc.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-711) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator

Marathon Oil Company

3. Address of Operator

P.O. Box 552 Midland, TX 79702

4. Well Location

Unit Letter "B" : 475' feet from the North line and 2522' feet from the East line

Section 20 Township 21-S Range 24-E NMPM County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

4205. G.L.

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

REMEDIAL WORK ☐ ALTERING CASING ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☒

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

CASING TEST AND CEMENT JOB ☐

OTHER: X

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Please see attached document for details of intent.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry Fletcher TITLE Engineer Tech. DATE 4/30/02

Type or print name Jerry Fletcher

Telephone No. 915/687-8357

(This space for State use)

APPROVED BY Steve Sturges TITLE Envil. Eng. Spec. DATE 5/3/2002

Conditions of approval, if any:

Marathon Oil Company
Indian Hills Unit # 42
SHL @ Section 20, T-21-S R-24-E
BHL @ Section 17, T-21-S, R-24-E
Eddy County, New Mexico

Procedure to isolate lost Radioactive Source tool on the Indian Hills Unit # 42 is attached. At step "3" of the procedure we were unable to get the pipe below 8879' and into the wash pipe, so the 60 sack red dye plug was set at 8879'. After setting the plug we were unable to pull out of the plug. A free point was run and found pipe free at 8610' and stuck at 8630'. Ran string shot and backed off drill pipe @ 8600' W.L. depth. A 120' red dye cement plug and 250' HWDP and AOH tubing was left in hole above stuck wash pipe. Events below show procedures followed to date 4/29/02.

Trip in hole open ended to set cement plug in loss of circulation zone @ 8250'. Cement w/ 100 sks. Class "H" 14.2#, displace w/ 109 bbls. fresh water. WOC 6hrs.

Fill hole w/ water and checked for losses. 180 bbls./hr. Trip in hole to 8146' no cement.

Cement w/ 100 sks. class "H" w/ additives 14.2# displace w/ 109 bbls. water.

Fill hole w/ water still losing 10 bbls./hr. Trip in hole to 8146' no cement.

Circulate out contaminated cement for 30". Cement w/ 100 sks. w/ additives 14.2#, displace w/ 104 bbls. water. Check losses @ 7 bbls./hr. Spot 90 bbl. LCM pill from 7765-6700. Losses dropped to less than 2 bbl/hr.

Cement w/ 150 sks. Premium w/ additives 17.4# and displace w/ 81 bbls. water. Pull up to 6251' and cement w/ 150 sks. Premium w/ additives and displace w/ 78 bbls. water. WOC 6 hrs. TIH and tag cement @ 5945'.

Pick up drill collars and dress off plug @ 5945' Dress plug to approx. 6200'. **6200' will be kick off point for sidetrack to Upper Penn.**

A subsequent report will be filed on the above events as well as any actions after kick off point.

**Indian Hills Unit 42
Indian Basin Field
SHL @ 475' FNL & 2522' FEL, Section 20, T-21-S, R-24-E
Eddy County, NM**

April 26, 2002

Procedure to Isolate Lost Radioactive Source

Surface Casing:

9 5/8", 36#, K55, STC casing set at 1818' Cemented with 700 sx foamed cement, 150 sx Class C, 3% CaCl₂. Cement did not circulate. 275 sx foamed cement and 75 sx Class "C" were pumped down backside. Topped out with 250 sx Class C in 5 stages.

Production Hole

8 3/4" Hole drilled from 1818' to 8985'. Well was kicked off at 2000' and directionally drilled to a BHL 575' North & 2057' East of surface.

Toolstring in hole

Name	Length	Bottom	Top
Density	1.0'	8917'	8916'
Connectors	2.0'	8919'	8917'
HRLA	24.2'	8943'	8943'
Connectors	8.0'	8951'	8943'
NGT	9.2'	8961'	8961'
FMI	24.4'	8985'	8985'
Wash pipe	67.8'	8947'	8879'

Radioactive source left in Hole

- Cesium 137
- 1.7 curries

Radioactive Source Isolation Plan

1. RIH with bit. Confirm top of wash pipe is at +/- 8879' MD. POOH.
2. Notify OCD in Artesia, NM and BLM in Carlsbad, NM to allow onsite witness.
3. RIH open ended with 2 7/8" AOH stinger. Spot 60 sx plug from 8918' to 8818'. Plug to be Class "H", 0.75% CFR-3, 0.4% Red Dye, mixed at 17ppg, 0.99 cf/sx. POOH.
4. RIH w/ bit. Dress off cement plug to 8860'. WOC minimum of 6 hours before drilling out.
5. Condition hole for casing. Run and cement 7" production casing to 8860' according to original drilling program.
6. RDMO drilling rig.

See Sundry
Report

7. MIRU pulling unit. Pick up bit, six 4" DC's, 2 7/8" L80 tubing. RIH to float collar. Drill out float collar and all but 3' of shoe joint. **DO NOT DRILL OUT FLOAT SHOE.**
8. POOH with bit, place junk on bottom of hole. Junk can be used bit, 2 pieces of polish rod 2'-3' long, several bit cones or similar non-drillable items.
9. Dump bail 10' of RED DYE cement on bottom of hole.
10. WOC 4 hrs. Tag top of cement.
11. Proceed with well completion
12. Well to be marked with sign (made of permanent material such as monel, SS) with following information. Sign will be provided by Schlumberger.
 - a. The word "CAUTION"
 - b. Trefoil radiation symbol not less than 4" diameter
 - c. Name of operator of well
 - d. Name and number of well
 - e. Legal location of well
 - f. Depth to top of radiation source
 - g. Brief description of recovery effort
 - h. Depth to top of plugs
 - i. Date of isolation with cement plugs
 - j. API number
 - k. Name of radionuclide and activity
 - l. Warning which says: "Do not drill below plug back depth before contacting the New Mexico Environment Department's Radiation Licensing and Registration Section."

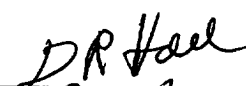
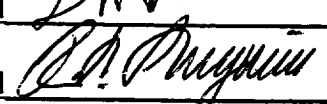
Notes

Verbal OCD approval for source isolation plan received from Van Barton & Mike Stubblefield (Artesia Field Office) by Jerry Fletcher on 4/26/02

Verbal BLM approval for source isolation plan received from Joe Laura (Carlsbad Field Office) by Jerry Fletcher on 4/26/02

Verbal approval for source isolation received from Schlumberger Radiation Safety Officer (Ray Dickes) for abandonment by Don Hall 4/26/02

Verbal approval from source isolation received from NM Environmental Department – Radiation Licensing & Registration Section by Ray Dickes 4/26/02

Prepared:	D.R. Hall	4/26/02	Signed	
Approved:	R.J. Longmire	4/26/02	Signed	

**Indian Hills Unit 42
Indian Basin Field
SHL @ 475' FNL & 2522' FEL, Section 20, T-21-S, R-24-E
Eddy County, NM**

April 26, 2002

Procedure to Isolate Lost Radioactive Source

Surface Casing:

9 5/8", 36#, K55, STC casing set at 1818' Cemented with 700 sx foamed cement, 150 sx Class C, 3% Cacl₂. Cement did not circulate. 275 sx foamed cement and 75 sx Class "C" were pumped down backside. Topped out with 250 sx Class C in 5 stages.

Production Hole

8 3/4" Hole drilled from 1818' to 8985'. Well was kicked off at 2000' and directionally drilled to a BHL 575' North & 2057' East of surface.

Toolstring in hole

Name	Length	Bottom	Top
Density	1.0'	8917'	8916'
Connectors	2.0'	8919'	8917'
HRLA	24.2'	8943'	8943'
Connectors	8.0'	8951'	8943'
NGT	9.2'	8961'	8961'
FMI	24.4'	8985'	8985'
Wash pipe	67.8'	8947'	8879'

Radioactive source left in Hole

- Cesium 137
- 1.7 curries

Radioactive Source Isolation Plan

1. RIH with bit. Confirm top of wash pipe is at +/- 8879' MD. POOH.
2. Notify OCD in Artesia, NM and BLM in Carlsbad, NM to allow onsite witness.
3. RIH open ended with 2 7/8" AOH stinger. Spot 60 sx plug from 8918' to 8818'. Plug to be Class "H", 0.75% CFR-3, 0.4% Red Dye, mixed at 17ppg, 0.99 cf/sx. POOH.
4. RIH w/ bit. Dress off cement plug to 8860'. WOC minimum of 6 hours before drilling out.
5. Condition hole for casing. Run and cement 7" production casing to 8860' according to original drilling program.
6. RDMO drilling rig.

7. MIRU pulling unit. Pick up bit, six 4" DC's, 2 7/8" L80 tubing. RIH to float collar. Drill out float collar and all but 3' of shoe joint. **DO NOT DRILL OUT FLOAT SHOE.**
8. POOH with bit, place junk on bottom of hole. Junk can be used bit, 2 pieces of polish rod 2'-3' long, several bit cones or similar non-drillable items.
9. Dump bail 10' of RED DYE cement on bottom of hole.
10. WOC 4 hrs. Tag top of cement.
11. Proceed with well completion
12. Well to be marked with sign (made of permanent material such as monel, SS) with following information. Sign will be provided by Schlumberger.
 - a. The word "CAUTION"
 - b. Trefoil radiation symbol not less than 4" diameter
 - c. Name of operator of well
 - d. Name and number of well
 - e. Legal location of well
 - f. Depth to top of radiation source
 - g. Brief description of recovery effort
 - h. Depth to top of plugs
 - i. Date of isolation with cement plugs
 - j. API number
 - k. Name of radionuclide and activity
 - l. Warning which says: "Do not drill below plug back depth before contacting the New Mexico Environment Department's Radiation Licensing and Registration Section."

Notes

Verbal OCD approval for source isolation plan received from Van Barton & Mike Stubblefield (Artesia Field Office) by Jerry Fletcher on 4/26/02

Verbal BLM approval for source isolation plan received from Joe Laura (Carlsbad Field Office) by Jerry Fletcher on 4/26/02

Verbal approval for source isolation received from Schlumberger Radiation Safety Officer (Ray Dickes) for abandonment by Don Hall 4/26/02

Verbal approval from source isolation received from NM Environmental Department – Radiation Licensing & Registration Section by Ray Dickes 4/26/02

Prepared: D.R. Hall 4/26/02 Signed _____

Approved: R.J. Longmire 4/26/02 Signed _____