

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

RECEIVED

MAY 21 2004

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SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM07260
2. Name of Operator MARATHON OIL COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 3487 HOUSTON, TX 77253-3487		7. If Unit or CA/Agreement, Name and/or No. NMNM70964A
3b. Phone No. (include area code) Ph: 800.351.1417 Ext: 8104 Fx: 915.687.8196		8. Well Name and No. INDIAN HILLS 9
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T21S R24E NWNE 990FNL 1980FEL		9. API Well No. 30-015-28754-00-S1
		10. Field and Pool, or Exploratory INDIAN BASIN
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" 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 site is ready for final inspection.)

Please see attached Word Document for details on recompleat / horizontal drill to the Upper Penn on Indian Hills Unit # 9.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #29857 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 05/19/2004 (04LA0431SE)	
Name (Printed/Typed) CHARLES KENDRIX	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 05/18/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	LES BABYAK Title PETROLEUM ENGINEER	Date 05/19/2004
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.		Office Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Indian Hills Unit # 9 Workover (Horizontal)

10/27/2003 Rigged up to recomplete w/ horizontal drain hole in existing zone. POOH w/ existing 2.875" tubing, pump assembly, and 7" RBP. RIH w/ overshot to retrieve 7" RBP @ 8345' latched on to RBP.

10/28/2003 POOH lay down 7" RBP. RIH w/ 6.125" shoe. Milled over bands made 3.5' hole. POOH mill shoe. RIH w/ overshot to retrieve 7" RBP at 8350. Unable to retrieve RBP at 8350'.

10/29/2003 RIH w/ gauge ring to 8200'. POOH. RIH w/ GR-CCL & 7" CIBP to 8070'. Set CIBP @ 8070' RIH w/ 7" RTTS packer on 32 stands set and tested casing to 500 psi.

10/30/2003 POOH w/ 7" RTTS packer. RIH w/ setting tool and 7" cement retainer.

10/31/2003 Cont. RIH set cement retainer @ 7808' loaded casing annulus. Loaded tubing and tested to 600 #. Pumped 5 sks CC in 10 bbls fresh water followed w/ 200 sks of acid soluble cement no squeeze. Displace perfs w/ 5 bbls water.

Wait on cement. Pumped 5 sks CC in 10 bbls water followed w/ 200 sks acid soluble cement w fresh water to top of retainer. Pulled out of retainer. Wait on cement. Stung into retainer pressure up to 500 psi w/ .5 BPM rate.

11/01/2003 POOH w/ tubing and setting tool. RIH w/ 6 4 1/2" drill collars and tubing to top of retainer at 7808'. Drilled out retainer and washed down to top of cement at 7936'. (Top of Perfs) Test squeeze cement to 350#. Held pressure

11/02/2003 Drilled out remaining cement to 8070' CIBP. Tested squeeze to 500# bled down in less than 5 minutes. POOH w/ Drill and collars. RIH open ended tubing to 7068' spotted 50 sks plug on btom (274' cement plug) pressured up to 500# on cement. Cement held.

11/03/2003 Tagged cement 7850' POOH tubing RIH w/ Drill collars and tubing drilled cement 7850' to 8010'.

11/04/2003 Drilled cement 8010' to 8053'.

11/05/2003 Drilled cement 8053' to 8070' Top of CIBP. Lost returns. RIH w/ RTTS packer set at 8054' tested perfs 7936' to 8048' to 500 psi no leak.

11/06/2003 POOH with RTTS packer. RIH w/ 6 1/8th bit drilled CIBP @ 8070.

11/07/2003 Cont drilling CIBP @ 8070' pushed plug to 8100' not making hole. POOH found split coupling on 2 7/8th tubing. Leaving one jt tubing 6 drill collars and bit in hole.

11/08/2003 RIH w/ fishing tools. POOH with fishing tools and fish. Left 10" piece of tubing. RIH w/ 5 3/4 OD mill shoe, 6 4 3/4 drill collars.

11/09/2003 Milled 9" off CIBP @ 8070. Lost weight twisted off tubing. POOH w tubing parted one jt above DC's. Layed down 2 7/8" tubing. RIH w/ 2 7/8th" drill pipe.

11/10/2003 RIH w/ fishing tools. POOH - Recovered DC's, Shoe, 8" piece tubing, and top of CIBP.

11/11/2004 RIH w/ 6 1/8" X 5 3/4" ID shoe. Tagged at 8074'. Milled over CIBP 807' to 8076' Found cement below CIBP. POOH with shoe, RIH w/ 6 1/4 bit.

11/12/2003 drill cement from 8076' to 8081'. Rigged down Rig.

11/13/2003 Rig up directional rig.

11/14/2003 Drill cement f/ 8081 to 8206', fell out of cement. Washed down to 8350'. RU Haliburton and pack off. RIH w/ Gamma ray & CIBP. Set CIBP @ 8050'. Test casing and CIBP to 150#. RIH 2nd CIBP and set @ 8007'. POOH RIH w / bit, Water melon mill, Double box sub, cross over sub, one jt 2 7/8th AOH, 6 - 4 3/4" drill collars, AOH pipe.

11/15/2003 Tagged CIBP @ 8007' set 24000 lb on CIBP. POOH. RIH w/ whipstock w mill assembly, UBHO sub. run orientation tool, took setting shot,. landed whipstock on CIBP # 8007 and set. Whipstock set and oriented (53.7 asm) sheared off. Mill cut casing window f 7995 to 8009. POOH w/ mill.

11/16/2003 Lay down drill collars. RIH curve motor w/ MWD and directional tools. Drilled curve from 8009 to 8090'.

11/17/2003 Drilled from 8090' to 8145'.

11/18/2003 Drilled curve from 8145' to 8202'. Spotted gel plug. POOH. Pickup lateral motor.

11/19/2003 RIH w/ lateral motor and bit. Drilled from 8202' to 8226'.

11/20/2003 Drilled from 8226 to 8230. Slow rate trip for motor. Twisted off @ 8013'. Tripped in hole with overshot. Unable to fish.

11/21/2003 RIH w/ spear. Caught fish and POOH with complete assembly. RIH w/ 6 1/8" mill. Milled 7" casing f/ 7995 to 8009'.

11/22/2003 POOH Mill. RIH w/ new bit and motor. Drill to 8306'. EM tool quit. POOH with EM tool.

11/23/2003 Trouble shoot EM tool. RIH drilled 8306' to 8607'.

11/24/2003 Pulling stuck Drill pipe and stuck steering tool. Steering tool at 286' from surface.

11/25/2003 Parted wire line on steering tool. Picked up 7/8" rods to fish. Worked on fishing wire line and steering tool.

11/26/2003 Fishing. backing off casin fishing cable in pieces inside 7" casing. Backed off DP @ 7980'.

11/27/2003 Fished 100% wire line cable. RIH w/ 6- 4 3/4" DC's , bumper subs and jars on drill pipe, screwed into fish at 7980'. Jarred on fish no movement. Shut in until December 04.

12/04/2003 Rigged up 1 1/2" coil tubing, magnet RIH to 8023' pushed on fish no movement. POOH no recovery w/ magnet. RIH w/ 1 11/16" overshot on CT. Pushed steering tool to mule shoe @ 8333'. POOH w/ CT no recovery. RIH w/ Free pt. tool w/ collar locator to 8092'. Stuck below 8070'. Pumped 3500 gals HCL acid, displaced w/ 250 bbls water. Re-ran free point, Free @ 8090', stuck below 8115'.

12/05/2003 Jarred on fish no movement. RU Baker Atlas perf f/ 8144 to 8116 (18 holes). Picked up 120' TCP guns on 1 1/2" coil tubing. Perf 8272' to 8152' 1 shot per ft.. Lay down guns. Pumped through drill pipe, spotted 600 gals. neat acid (HCL) across perfs. Wait 30 minutes, pumped 400 gal of neat acid, 200# rock salt, 500 gals neat acid, 200# rock salt, 500 gals ZCA acid, flush w/ 110 bbls water. Jarred on fish. Jarred free in 45 minutes. Laid down fish, full recovery. RIH w/ bit, bit sub 22 jts of drill pipe, jars, 6 drill collars, clean out lateral f/ 8000' to 8607'.

12/06/2003 RIH w/ 4 3/4" bit washed f/ 8000' to 8607', 22 ft fill. Hole tight f 8607 to 8544'. Back reamed out of hole to 8000'. PU hook , jars bumper sub, 6 4 3/4" drill collars, RIH t/ 8000' jarred whipstock free in 4 hits. POOH w/ fishing tools and whipstock full recovery. Laid down DC's and drill pipe. RIH w/ 20 jts 2 7/8" tubing, killstring, shut down.

12/07/2003 Rigged down.

12/12/2003 Rigged up workover rig. POOH 20 jt killstring. RIH w/ 6 1/8" bit on 88 jts 2 7/8" N-80 tubing.

12/13/2003 Cont. in hole tag CIBP at 8032' (8007' Wireline) total 264 jts. POOH left 20 jts killstring. Shut down for weekend.

12/16/2003 RIH w/ bent jt 2 7/8" tubing RTS8 bull plugged, 15 jts 2 7/8" RTS8 perforated tubing. Baker Hydra release tool on 2 7/8" N-80 tubing. Tagged at CIBP 8007' picked up 3' and turned tubing. Entered lateral Ran in to 8471 (hard tag). Setting tool was not entering the lateral. POOH inspect setting tool. Sent to shop to be tapered.

12/17/2003 RIH w/ bent jt 2 7/8" RTS8 Tubing bull plugged, 15 jts 2 7/8" RTS8 perforated tubing. Baker Hydra release tool on 2 7/8" N-80 tubing. Hydraulically released and pulled off hanger @ 8050 in the lateral. POOH tubing. RU Baker Sand line drill bailer. RIH to 8007' Knocked out CIBP. POOH w/ bailer and dumped. Repeated to CIBP @ 8045'.

12/18/2003 RIH w/ tapered mills to 7700' hooked up swivel and turn mills to 8328'. Laid down mills and shut down to 12/21/2003.

12/21/2003 Perforated the Upper Penn 7938-8226 at 4 shots per foot and 120 phasing.

12/22/2003 Shut down.

12/23/2003 Pumped acid in 4 stages.

Stage 1 966 gals. 17% CCA Sour a 39.6 BPM an 48psi.

Stage 2 3486 gals. 15% Zonal Coverage Acid At 47.6 BMP and 25 psi.

Stage 3 38262 gals. 17% CCA Sour at 75.1 BMP and 75 psi.

Stage 4 19405 gals. fresh water flush at 76.4 BMP and 121 psi.

12/24/2003 RIH w/ ESP bottom assembly at 8299'. Two 3/8" coil tubing treating strings. Bottom on long string at 8179' , short string at 7988'. PBTD @ 8334'/ Horizontal Window @ 7995 to 8006'. Put well back on production.