N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue Artesia, NM 88210

Form 3160-5 (April 2004)

3a. Address

... Oil Well

DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

5. Lease Serial No.

Do not use this form for proposals to drill or to re-enter an

abandoned well. Use Form 3160-3 (APD) for such proposals.

NMNM3802 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. NMNM71190 ✓ Gas Well Other 8. Well Name and No. Mershon Gas Com #1 2. Name of Operator Marathon Oil Company ATTN: Donna Spears 9 API Well No. 30-015-20241 3b. Phone No. (include area code) P.O. Box 3487 Houston, TX 77253-3487 713-296-2414 RECEIVED 10. Field and Pool, or Exploratory Area Indian Basin 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SEP 0 8 2004 11. County or Parish, State 990 FNL & 990 FEL, Section 21, T-22-S, R-23-E OOD APTESIA Eddy 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE REPORT, OR OTHER DATA

TYPE OF SUBMISSION TYPE OF ACTION Acidize Water Shut-Off Production (Start/Resume) Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair **New Construction** Recomplete Other Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Plug Back Convert to Injection 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 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 site is ready for final inspection.)

See Attached plugging procedure & wellbore diagrams

APPROVAL SUBJECT TO **GENERAL REQUIREMENTS AND** SPECIAL STIPULATIONS ATTACHED APPROVED

2004

LES BABYAK PETROLEUM ENGINEER

THG PLUGS (#5 + #6)				
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)				
James F. Newman, P		Engineer, Triple N Services, Inc.		
Signature Signature	Date		09/02/2004	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by		Title	Date	
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		

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.

WELLBORE SKETCH Marathon Oil Company

RKB@

13-3/8" 48# @ 210' w/ 250 sx, circ.

Lease & Well No. :

Legal Description: County: Field:

Date Spudded : API Number :

Status:

Mershon Gas Comm #1

990' FNL & 990' FEL, Section 21, T-22-S, R-23-E

Date: 9/2/2004

Eddy State: New Mexico

Indian Basin (Upper Penn) 31-Jul-69

30-015-20241

Temporarily Abandoned

5-1/2" TOC @ 1,200' (est. w/ 70% fill)

8-5/8" 24# @ 2,160' w/ 2,490 sx & pea gravel

5-1/2" 15.5 & 17# @ 5,020' w/ 650 sx

5,020': 4-1/2" pulled & 5-1/2" ran 03/15/99

4-1/2" TOC @ 5,820'

CIBP w/ 10' cmt @ 7,367' (set 07/18/99) **Perforations**

7,569 - 7,612

7-7/8" Hole 4-1/2" 10.5# @ 7,631' w/ 350 sx

PBTD: 7,357 TD: 7,631'



Proposed Plugging Procedure Marathon Oil Company Mershon Gas Comm #1

See attached wellbore diagrams

- Notify BLM & OCD 24 hrs prior to move in, and 4 hrs prior to plugs
- · Hold daily tailgate safety meetings w/ crews
- TA'd w/ CIBP w/ 10' cmt @ 7,367' (07/18/99)
- $5\frac{1}{2}$ " 17.0 #/ft casing capacity = 0.1305 ft³/ft
- 4½" 11.6 #/ft casing capacity = 0.0872 ft³/ft
- Tubulars in hole: NONE
- 1. Set 180 bbl working pit and flow well down as needed.
- 2. MIRU plugging equipment. NU 5,000# hydraulic BOP.
- 3. RIH w/ 23/4" workstring, tag CIBP/cmt @ +/- 7,357'.
- 4. RU cementer and circulate hole w/ 100 bbls 10 ppg mud, pump 25 sx C cmt (1.32 ft³/sk, 14.8 ppg w/ 6.3 gal/sk, slurry volume 33.0 ft³) 7,357 6,980'.
- POOH w/ tbg to 5,070'. Load hole w/ plugging mud and pump 25 sx cmt (1.32 ft³/sk, 14.8 ppg w/ 6.3 gal/sk, slurry volume 33.0 ft³) 5,070 4,800'.
- POOH w/ tbg to 2,210'. Load hole w/ plugging mud and pump 25 sx cmt (1.32 ft³/sk, 14.8 ppg w/ 6.3 gal/sk, slurry volume 33.0 ft³) 2,210 1,960'.
 - 7. POOH w/ tbg.
 - 8. SI BOP and pressure-test 5½" casing to 500 psi. If casing does not test, RIH w/ packer and isolate holes in casing.
 - 9. RIH w/ wireline and perforate 5½" casing @ 260'. POOH w/ wireline, RD wireline.
 - 10. If casing tested in #8, ND BOP and NU wellhead. Establish rate thru perforations and circulate 70 sx cmt (1.32 ft³/sk, 14.8 ppg w/ 6.3 gal/sk, slurry volume 92.4 ft³) 260' to surface in 5½ x 85%" annulus, leaving TOC in 5½" at 5'.
 - 11. WOC as needed to verify casing standing full of cement. RDMO.
 - **12.** Clean working pit, haul fluids to disposal. Cut off wellhead and install dryhole marker. Cut off anchors and level location.

PROPOSED PLUGGED WELLBORE SKETCH **Marathon Oil Company**

RKB@ DF@ 4,255' GL@

Date: 9/2/2004

Legal Description:

Lease & Well No. : Mershon Gas Comm #1

County:

990' FNL & 990' FEL, Section 21, T-22-S, R-23-E State: New Mexico

Field:

Indian Basin (Upper Penn) IPP:

Date Spudded: API Number :

31-Jul-69

30-015-20241

Eddy

Status:

Temporarily Abandoned

5-1/2" TOC @ 1,200' (est. w/ 70% fill)

13-3/8" 48# @ 210' w/ 250 sx, circ.

70 sx C cmt 260 - 5', perf & sqz

circulate cmt

PROPOSED PLUGS

TRIPLE N SERVICES INC. MICKAND TX

- 1) 25 sx C cmt 7,357 6,980'
- 25 sx C cmt 5,070 4,800°
- 25 sx C cmt 2,210 1,960'
- Test casing 1,960' to surface to 500 psi
- 5) 70 sx C cmt 260 5', perf & sqz, circulate cmt

8-5/8" 24# @ 2,160' w/ 2,490 sx & pea gravel

25 sx C cmt 2,210 - 1,960' The PULG

5-1/2" 15.5 & 17# @ 5,020' w/ 650 sx

5,020': 4-1/2" pulled & 5-1/2" ran 03/15/99

25 sx C cmt 5,070 - 4,800' TAG PUIG

4-1/2" TOC @ 5,820'

25 sx C cmt 7,357 - 6,980'

CIBP w/ 10' cmt @ 7,367' (set 07/18/99) **Perforations**

7,569 - 7,612'

7-7/8" Hole 4-1/2" 10.5# @ 7,631' w/ 350 sx

PBTD: 7,357 7,631 TD: