Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.
NMNM07260

6. If Indian, Allottee or Tribe Name

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

JAN 1 2 2005

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
INDIAN HILLS UNIT 59

1. Type of Well		
☐ Oil Well	☒ Gas Well	☐ Other

2. Name of Operator
MARATHON OIL COMPANY

Contact: **CHARLES E KENDRIX**
E-Mail: CEKENDRIX@MARATHONOIL.COM

9. API Well No.
30-015-33759-00-X1

3a. Address
P O BOX 3487
HOUSTON, TX 77253

3b. Phone No. (include area code)
Ph: 713-296-2096
Fx: 713-499-6750

10. Field and Pool, or Exploratory
UPPER PENN

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

Sec 20 T21S R24E NENE Lot 1 1117FNL 641FEL
32.28072 N Lat, 104.30515 W Lon

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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☒ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Drilling Operations
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Marathon Oil Company has drilled and set an intermediate casing string in the Indian Hills Unit No.
59. The original APD for this well called for Marathon to set 7" casing to 10,800'. Due to
problems encountered with lost circulation in the Upper Penn formation. Marathon has set the 7"
casing to 8968'. We will then proceed to drill the well with a 6 1/8" bit to TD and case the lower
section of the well with a 4 1/2" liner. See details of drilling and casing work completed below:

12/15/2005 Drilled 1800' to casing shoe @ 1820'. Drilled out CS & drill OH to 2357'.
12/16/2004 to 12/19/2004 Drilled OH f/ 2357' to 5094'.
12/20/2004 Drilled 5094' to 5153'. Tripped for new bit. Drill 5153' to 5374'.
12/21/2004 Drilled 5374' to 5914'.
12/22/2004 Drilled 5914' to 6117'. Tripped for new motor & bit. Drilled 6117' to 6242'.
12/23/2004 Drilled 6242' to 6863'.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #52697 verified by the BLM Well Information System
For MARATHON OIL COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by LINDA ASKWIG on 01/06/2005 (05LA0236SE)

Name *(Printed/Typed)* CHARLES E KENDRIX

Title ENGINEERING TECHNICIAN

Signature (Electronic Submission)

Date 01/06/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**

ALEXIS C SWOBODA
Title PETROLEUM ENGINEER

Date 01/10/2(

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 **

Additional data for EC transaction #52697 that would not fit on the form

32. Additional remarks, continued

12/24/2004 Drilled 6863' To 7184'. Tripped up inside surface casing. Shut Down due to weather and availability of water.

12/25/2004 Shut down waiting on weather.

12/26/2004 to 12/27/2004 RIH Drill 7184' to 7975'.

12/28/2004 Drilled 7975' to 8070'. Drilled 8070' to 8270' w/ 70% returns. Lost all returns @ 8271'. POOH laid down directional tools.

12/29/2004 RIH. Drill 8271' to 8968'. Due to lack of circulation decision was made to set 7" casing string @ 8968'. POOH w/ drill pipe and BHA.

12/30/2004 Ran 7" casing string. See attachment for casing details. Cemented 7" casing in 2 stages. Stage 1: pumped 50,000 scf N2, 10 bbls 10% CaCl foamed water, 10 bbls foamed fresh water, 24 bbls foamed superflush 101, 10 bbls foamed fresh water, 100 sks acid soluble foamed cement (Yield 3.64), 225 sks foamed Premium (Yield 1.65), tailed w/ 100 sks Premium Plus (Yield 1.67). Dropped plug and displaced w/ 345 bbls fresh water. Pressure up 7" to 1900 psi and set External packer. Open DV tool pumped 2nd stage: circ fresh water to surface, 675 sks Interfill Lead cement (Yield 2.46), 100 sks Premium Plus (Yield 1.34), displaced w/ 265 bbls fresh water, circ 117 bbls cement to surface. Set slips and cut off 7" casing, installed BOP.

12/31/2004 Drill out 18' cement & DV tool. Down drill string Pu 3 1/2" DP

01/01/2005 Drill out cement & FC to 8906'. Test 7" casing to 1500 psi. Held.