

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC

FORM 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.***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. NMNM06293A
2. Name of Operator MARATHON OIL COMPANY		6. If Indian, Allottee or Tribe Name
Contact: CHARLES E KENDRIX E-Mail: CEKENDRIX@MARATHONOIL.COM		7. If Unit or CA/Agreement, Name and/or No. NMNM70964A
3a. Address P O BOX 3487 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 713-296-2096 Fx: 713-499-6750	8. Well Name and No. INDIAN HILLS UNIT 45
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T21S R24E NENE Lot A 806FNL 1010FEL		9. API Well No. 30-015-32338-00-S1
RECEIVED MAR 16 2005 BUREAU OF LAND MANAGEMENT		10. Field and Pool, or Exploratory INDIAN BASIN UPPER PENN ASS UNKNOWN
		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 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 checked="" 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.)

Marathon Oil has completed operations to plug back the Indian Basin Upper Penn Associated in the Indian Hills Unit No. 45. Please see attachment for details of work done to plug back. Reports will follow for the directional drill out to the same formation. This well is a directional well with the following details.

SHL Section 28, T-21-S, R-24-E, 806' FNL & 1010' FEL
BHL Section 21, T-21-S, R-24-E, 339' FSL & 1148' FEL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #54668 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 03/03/2005 (05LA0473SE)	
Name (Printed/Typed) CHARLES E KENDRIX	Title ENGINEERING TECHNICIAN
Signature (Electronic Submission)	Date 03/02/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	ALEXIS C SWOBODA Title PETROLEUM ENGINEER <i>gcb</i>	Date 03/14/2005
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 ****

Unit A, Section 28, T-21-S, R-24-E
Eddy County, New Mexico

- 08/12/2004** MIRU
- 08/13/2004** ND tree, NU BOP and POH w/ Esp. Tally tbg. and RIH w/ openended 2 7/8" production tubing to 6991' KB.
- 08/16/2004** RU Echo meter and shot FL. Mixed and pumped 150 sacks of Premium w/ 4% gel, 6pps Gilsonite, .225 pps Flocele- mixed cement to a slurry of 14.7 ppg 1.4 cf/sk (37 bbls) followed by 5 bbls of water. Shoot fluid level. PUH 2000' w/ tbg. RIH w/ tbg open ended to tab TOC @ 7010' (568' above perf). POH w/ tbg. LD bottom 30 Jts of tbg. RIH w/ 10 stands of tbg.
- 08/17/2004** POH w/ killstring. RIH to TOC @ 7010'. RU power swivel an drill out to a depth of 7700'. Continued to DO to 8150'. POH- LD 32 Jts and stood back 60 stands.
- 08/18/2004** Cement Squeezing Operations. TIH w/ 2 7/8" tbg to an EOT depth of 6991' Mixed and pumped 100 sacks of premium w/ 4% gel, 6pps Gilsonite, .225 pps flocele-mixed cement to a slurry of 14.7 ppg 1.4 cf/sk (28 bbls) and 200 sacks of premium 15.6 ppg 1.2 cf/sk (42 bbls followed by 5 bbls of water. TOH w/ tbg. Closed blind rams.
- 08/19/2004** PU 6 1/8" drill bit. RIH on 6 4" drill collars, OX, RIH to TOC @ 6100' (1468' above top perf @ 2050' above PBTD). RU power swivel and drill out to a depth of 6644'. Circulated clean. POH-LD 30 jts. RIH w/ 30 jts that were standing back. Total of 206 jts in hole w/ XO, 6 -4" DCs, bit sub and bit - 50 Jts on ground. Hand tbg of on BOPs w/ SW slips w/ TIW valve. Closed and locked down pipe rams.
- 08/22/2004** MIRU Rig, Workover unit. RU sub & ground equipment. NU 11" hydril. PU 3.5 power swivel. Drill cement.
- 08/23/2004** Circulate clean. Drill cement f/ 7750' - 7900' (bottom perf @ 7900'). Stringers of cement through 7796-7900'. Tagged PBTD @ 8070'. Circulate clean.
- 08/24/2004** Circulate clean. POOH. Stood back DC's. RIH w/ 2 7/8" tbg open ended t/ 7905'. Echo meter t/ shoot fluid level. Shot fluid level 2029'. Mixed and pumped 100 sks of premium cement (24 bbls) containing 4% gel, 1/4# /sk flocele, 6# / sk gilsonite. 14.7 ppg. Pulled 11 stds of tb-EOT @ 7226'. Shot FL-3995'. Pulled 5 stds of tbg.-EOT @ 6909'. Shot FL -3879'. Shot fluid level-3880'. Pumped 35 bbls water. Calculated FL @ 2828'. Shot level -2826'. Loaded hole.

Unit A. Section 28, T-21-S, R-24-E
Eddy County, New Mexico

- 08/24/2004** Tested t/ 500 psi. POOH w/ tbg. TIH w/ 6 1/8" bit, 6 -4 3/4" DC's pm 2 7/8" tbg. RIH t/ 2500'.
- 08/25/2004** RIH w/ 6 1/8" bit. Tagged cement @ 6630'. Drilled cement from 6630' to 7529'. Broke out of cement. Washed and reamed from 7529' to 7773'. Circulate. Pressured up on casing to 500 psi. Pumped into formation at 560 psi at 23 SPM (1.1 bpm). Washed and reamed from 7773' to 8054'. Made connection. Pipe stuck. Ran freepoint. Found tubing to drill collar crossover 100% stuck (7867' WLM, 7874' pipe measurements. First tubing connection above drill collars 100% free (7830' WLM, 7843' Pipe measurements). Pulled freepoint tool. Running string shot to make backoff @ 7830' WLM, 7843' pipe.
- 08/26/2004** Ran string shot. Made backoff @ 7830' WLM, 7843' Pipe measurements. Pulled out of hole with tubing. (SLM = 7847'). Rack and tally 2-7/8" drill pipe. Rigged up Bull Rogers laydown machine. Picked up screw in assembly, bumper sub, jars, 6 4-3/4" drill collars, and accelerator jars. Tripped in hole picking up 2-7/8" drill pipe. Screwed in to fish at 7847'. Jarred fish free. Pulled out of hole. Picked up cement retainer. Tripped in hole with 2 -7/8" tubing to 7450'. Set retainer. Sheared out of retainer. Filling hole with water on the 2- 7/8" x 7" annulus.
- 08/27/2004** Tested casing annulus and retainer to 500 psi. Tested tubing to 1100 psi. Rigged up Halliburton. PJSM. Bullhead down tubing and established injection rate. Squeezed with 150 sx premium + .3% Halad 322 mixed at 15.6 ppg, 1.18 Yield. Picked up out of retainer. Reversed out 4 bbls of cement. Rigged down Halliburton. Pulled out of hole with tubing. Laid down stinger from retainer. Made up bit and bit sub on 6 4-3/4" drill collars. Tripped in hole with 2 -7/8" drill pipe to 6980'. Tripped in hole to retainer @ 7450'. Rigged up swivel. Drilled cement retainer @ 7450'. Drilled cement to 7547'.
- 08/28/2004** Drilled cement from 7547' to 7767'. Drilled cement from 7767' to 7889'. Pressure tested the casing and squeeze to 500 psi. Held pressure. Broke out of cement. Washed and reamed from 7889' to 8018' with full returns. Pumped sweep and circulated hole clean. Tripped out of hole with 2 -7/8" drill pipe. Tripped in hole with 2 7/8" tubing out of derrick. Nippled down and replaced hydril. Installed flowline.