3160-5 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR

N.M. Oil Cons. DIV-Display No. 1004-0137

1301 W. Grand Avenue **BUREAU OF LAND MANAGEMENT** SUNDRY NOTICES AND REPORTS ON WELLS Artesia, NM 06293 A Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse simple CEIVED Indian Hills Unit NM-7096 1. Type of Well JUN 03 7005 8. Well Name and No. Oil Well X Gas Well Other Indian Hills Unit No. 45 DOD-MATSON 2. Name of Operator Marathon Oil Company 9. API Well No. 3b. Phone No. (include area code) 3a Address 30-015-32338 P.O. Box 3487 Houston, TX 77253-3487 713-296-2096 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Indian Basin Upper Penn <u>Associated (33685)</u> SHL UL "A" 806'FML & 1010' FEL Sec 28, T-21-S, R-24-E 11. County or Parish, State UL "P" 800'FSL & 1112' FEL Sec 21, T-21-S, R-24-E Eddv MM CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION 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 Drill to new Change Plans Plug and Abandon Temporarily Abandon bottom hole Final Abandonment Notice Convert to Injection Plug Back Water Disposal location Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. 13. 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 final site is ready for final inspection.) Marathon Oil Company has completed the re-entry of the Indian Hills Unit No. 45. Marathon had planned to drill this directional well to a new BHL in UL "I" , Section 21, T-21-S, R-24-E, however due to problems with lost circulation and sticking the drill pipe plans to drill directionally into UL "I" were abandoned. The well was drilled to a EHL 500' further north and 24' further east in UL "P" and put back on production at that point. Please see the attachment for details of drilling operations. Sundry and Completion report for production start up at the new BHL will follow. SHL UL "A" 806'FNL & 1010'FEL Section 28, T-21-S, R-24-E Lease NM-06293 ACCEPTED FOR RECORD Old BHL UL "A" 305'FSL & 1136'FEL Section 21, T-21-S, R-24-E Lease NM-07260 New EHL UL "A" 800'FSL & 1112'FEL Section 21, T-21-S, R-24-E Lease NM-07260 JUN - 1 ALEXIS C. SWOBODA PETROLEUM ENGINEER I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Charles E. Engineering Technician Date 05/23/2005 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title Date

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

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.

Indian Hills Unit No. 45 Drill out to new BHL Indian Basin Upper Penn Associated (33685)

08/29/2004

Rigged up Baker Atlas, RIH w/ CIBP on wireline. Ran CCL strip. Set CIBP at 7740'. Rigged down BA. RIH w/ 2 7/8" drill pipe, tagged CIBP at 7732 pipe measurement (+8' correction to ELM). Test new Hyril and casing to 500 psi. TOH w/ pipe and picked up whipstock and starter mill RIH. Rigged up Scientific and ran gyro. Oriented whipstock at 359.7°. Set whipstock. Took check shot survey at 0.87°. Sheared starter mill off of whipstock face. POOH w/ wireline. Rigged down Scientific. Picked up swivel and made starter cut for window. Pulling out of hole with starter mill.

08/30/2004

Picked up window mill and and watermelon mill. TIH to whipstock. Milled window in casing f 7722' to 7732'. Drilled formation to 7736'. POOH laid down window and watermelon mill. Picked up 4 ¾'' bit, motor, and MWD. TIH to 7066'. Ran wireline antenna to EMI tool. TIH to 7736'. Drilled open slide f/7736' to 7760'.

08/31/2004

Drilled f/7760' to 7856'. Lost complete returns. POOH. RIH open ended and spotted polymer LCM pill. Tripped for drilling assembly. Drilled f/7856' to 7868' without returns.

09/01/2004

Drilled f/ 7868' to 7910' w/ no returns. POOH. RIH opened with drill Pipe. Spotted polymer pill. POOH. Picked up lateral BHA. RIH to 7066'. EMI failed to operate. POOH.

09/02/2004

POOH. MWD and motor plugged w/ LCM pill. Changed out MWD and motor. TIH t/ 7066'. Ran wireline antenna to EMI tool. TIH t/ 7229'. Attempted to load hole and circ. Pumped 300 bbls no returns. TIH to 7534' Attempted to load hole and circ. Pumped 200 bbls no returns. TIH t/ 7906' Attempted and failed to pump down drill pipe, BHA plugged. PUH attempting to pump into drill pipe. All attempts failed. Pulled wireline antenna from EMI tool. POOH left bottom portion of motor in hole. Housing broke below welded stabilizer blades on outside. Left approximately 4.5' fish in hole. Made up 4 3/8" overshot and extension TIH to catch fish.

09/03/2004

RIH w/ overshot to 7887' failed to catch fish. POOH changed grapples. RIH and catch fish. POOH w/ fish. Removed jets from bit. Picked up lateral motor and MWD BHA. TIH to 7066'. Ran wireline Antenna to EMI tool. TIH t/ 7690'. Washed w/ no returns f/ 7690' to 7910'. Drill open slide f/ 7910' to 7922' with no returns.

Drilled f/ 7922' to 7986'. Short trip. Drilled f/ 7986' to 8002'. Stuck 09/04/2004 pipe. Short trip. Drilled f/ 8002' to 8050'. Surveying w/ MWD tools. Drilled f/8050' t/8097'. TOH to change BHA. Drilled f/8097' to 09/05/2004 8162'. Drilled from 8162' to 8287' w/ periodic trips back into to casing to 09/06/2004 Wash, ream, and pump acid to clean up hole. Drilled from 8287' to 8348'. Made short trip back into casing. Drilled 09/07/2004 f/8348' to 8413'. Backreamed out of lateral. POOH laid down directional equipment. Waiting on equipment to pull whipstock. NOTE: BHL @ MD 8413', TVD 7696.88', 1606.09 N & 102.31 W. 09/08/2004 Pulled whipstock. Laid down drill pipe. Start picking up production tubing. RIH w/ bent joint to enter lateral. 09/09/2004 Ran production tubing into window. Hung tubing off with end of tubing @ 7753'. Rigged down rig.