Office Energy, Miner	te of New Mexico	Form C-103
	rals and Natural Resources	May 27, 2004
1625 N. French Dr., Hobbs, NM 87240 District II		WELL API NO. 30-015-34077
1301 W Grand Ave Arteria NM 88210 UIL CONS	SERVATION DIVISION	5. Indicate Type of Lease
	South St. Francis Dr. nta Fe, NM 87505	STATE X FEE
District IV	ilia Fe, NW 67505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505		v-0993
SUNDRY NOTICES AND REPORT (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OF DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMISSION	R TO DEEPEN OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name: Indian Basin "32" State
PROPOSALS.) 1. Type of Well:	RECEIVED	8. Well Number
Oil Well Gas Well X Other	JAN 1 8 2006	5
Name of Operator     Marathon Oil Company	UCU-MATERIA	9. OGRID Number 14021
3. Address of Operator		10. Pool name or Wildcat
P.O. Box 3487 Houston, TX 77253-3487		Indian Basin U. Penn Assoc. (33685)
4. Well Location		
Unit Letter : 629' feet fro	m the <b>North</b> line and	822' feet from the West line
Section 32 Townsh	nip <b>21-s</b> Range <b>24-E</b>	NMPM County Eddy
11. Elevation (a	Show whether DR, RKB, RT, GR, e	
Pit or Below-grade Tank Application or Closure		
Pit type Depth to Groundwater Distance f	from nearest fresh water well Di	stance from nearest surface water
Pit Liner Thickness: mil Below-Grade	e Tank: Volumebbls; Constructi	on Material
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK  PLUG AND ABA TEMPORARILY ABANDON  CHANGE PLAN	ANDON REMEDIAL WORK	SEQUENT REPORT OF:  ALTERING CASING  ING OPNS.  PLUG AND ABANDONMENT
PULL OR ALTER CASING MULTIPLE COMPLETION	CASING TEST AND CEMENT JOB	
	CEMENT JOB	letion / Production start up X
COMPLETION	OTHER: New Composite State all pertinent details, and give S. For Multiple Completions: Attack	e pertinent dates, including estimated date in wellbore diagram of proposed completion sin "32" State No. 5 to production
OTHER:  13. Describe proposed or completed operations. (Clea of starting any proposed work). SEE RULE 1103 or recompletion.  Marathon Oil Company has completed operations the Indian Basin Upper Perm Associa	OTHER: New Compositive State all pertinent details, and give S. For Multiple Completions: Attack attions to bring the Indian Basked pool. Please see attacking the Indian Basked pool.	e pertinent dates, including estimated date in wellbore diagram of proposed completion sin "32" State No. 5 to production and for details of well work
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## Indian Basin "32" State No. 5 Initial Well Completion

08/22/2005 TOH w/ 2 3/8" L80 tubing, laid down bit, casing scraper, and drill collars.

Rig up Haliburton Logging Services. Logged well w/ Compensated

Spectral Gamma Ray & Dual Spaced neutron tool.

08/23/2005 RIH w/ 256 jts. 2 3/8" L80 tubing. ND BOPs. PU Hanger and install on

well head. Rigged down PU.

08/29/2005 MIRU PU. NU BOPs. POOH w/ 256 jts 2 3/8" tubing. RU Baker Atlas.

Tested lubricator to 1000 psi. Perforated well w/ 311T 23 gram charges w/
4 JSPF w/ 120°phasing in ten gun runs as follows:

 Interval
 Feet
 Shots

 7812' - 7822'
 10'
 40

 7835' - 7872'
 37'
 148

 7887' - 7921'
 34'
 136

 7928' - 7935'
 7'
 28

 7040' - 7057'
 8'
 32

7949' – 7957' 8' 32 7965' – 8050' 85' 340

Shut in finish perforating next day.

08/30/2005 Finished perforating upper section of zone as follows.

Interval	Feet	Shots.
7472' – 7502'	30'	120
7522' – 7566'	44'	176
7644' – 7654'	10'	40
7670' – 7694'	24'	96
7705' – 7709'	4'	16
7726' – 7746'	20'	80
<u>7794' – 7798'</u>	<u>4'</u>	<u>16</u>
14 intervals	327'	1308 shots

PU 7" PPI packer w/ mechanical collar locator. RIH on 246 jts of 2 7/8" tubing. Left packer swinging above perforations. SI.

08/31/2005 TIH w/ PPI Packer w/ collar locator to 8082'. Dropped Standing valve load tubing w/ fresh water. Tested surface lines, tubing, and packer to 4000 psi. Dropped retrievable fluid contol valve (RFC). PUH to first setting 8046'-8050''. Function test valve Open 1600 psi close 630 psi. Switched to 15% Carbonate Completion Acid PUH acidizing first 46 settings in 4' intervals w/ ~500 gals per interval. Pumped 23,000 gallons today. Average break press 1550 psi. Flushed and shut down.

09/01/2005 Continued up hole acidizing remaining perforations in 4' intervals w/ ~500 gals per interval f/ 7836' to 7472'. Today 46 intervals w/ 21,000 gals 15% Carbonate Completion Acid. Average break press 2570 psi. Well began gassing and casing had to be killed. POOH w/ 220 jts tbg. Left packers swinging on killstring. SI

O9/02/2005 Cont POOH w/ PPI packers. Picked up SUB pump RIH w/ sub, seating nipple, and 253 jts 2 3/8" L-80 tubing. Seating Nipple @ 8210', Intake / gas separator on sub pump @ 8250'. Ran in w/ 1 stainless steel coil tubing string for chemical treating. Bottom of CT string is @ 7540'. Landed tubing on hanger. Slugged well with 10 gal chemical at landing. Hooked well up to flowline and started pump. Well left producing to battery.