

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DISTRICT
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-015-28384
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-9706
7. Lease Name or Unit Agreement Name: North Indian Basin Unit
8. Well Number 20
9. OGRID Number 14021
10. Pool name or Wildcat Indian Basin Morrow

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	2. Name of Operator Marathon Oil Company
3. Address of Operator P.O. Box 3487 Houston, TX 77253-3487	4. Well Location Unit Letter <u>K</u> : <u>1650</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>2</u> Township <u>21 S</u> Range <u>23 E</u> NMPM County <u>Lea</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3736' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Plug Back of open hole / Deepen to Morrow <input checked="" type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This sundry notice is being sent in response to a phone call with Mr. Bryan Arrant @ 9:15 AM CST in regards to the NIBU # 20. Please see the attachment for details of operation completed as of 03/21/2007 to abandon the existing open hole directional section in the North Indian Basin Unit No. 20, and deepen to a new bottom location in the Morrow formation.

A Notice of Intent Sundry is also attached with this mailing detailing Marathon's continuing plans for this well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Charles E. Kendrix TITLE Reg Compliance Rep. DATE 03/22/2007
Type or print name Charles E. Kendrix E-mail address: cekendrix@marathonoil.com
Telephone No. 713-296-2096

For State Use Only
APPROVED BY BRYAN G. ARRANT
DISTRICT II GEOLOGIST

APPROVED BY _____ TITLE _____ DATE MAR 22 2007

Conditions of Approval, if any:

S

**North Indian Basin Unit No. 20
Plug-back existing directional hole
Re-drill to Morrow in new directional hole**

03/12/07 MIRU Key Rig # 482

03/13/07 NU BOP, Hydril, & choke manifold. Test blind rams, choke, pipe rams, & mud lines to 3000 psi. PU 6 1/8" bit and HWDP.

03/14/07 PU 40 jts HWDP. Attempt to fill DP. Bit plugged. POOH and unplug bit sub. RIH w/ 3 1/2" DP to 3224'. Fill hole w/ 110 bbls water. Circ hole. Cont pick up DP RIH t/ 3,497'. Alerted NMOCD @ 10:45 Aam on plugging operation. Talked to Gerry Guye. OK to plug back @ 8797' to casing shoe.

03/15/07 Cont in hole w/ DP to 7241. Fill hole and circulate. PU DP tag cement @ 7916'. Circ and displace well w/ fresh water. Lost 5 bbls circulating. Test perms f/ 7488' to 7789'. Perfs broke down and dropped f/ 245 psi to 0 psi in 15 min. Establish inj rate of 1/2 BPM w/ 780 psi. TOH w/ DP.

03/16/07 RIH w/ ST EZ Drill Pkr. Set Pkr @ 7439'. Close annular and test seals to 500 psi. RU cement lines and test to 5000 psi. Pull seal assembly out of pkr. Pump 5 bbl spacer. Pump 75 sks Premium cmt w/ 3% Halad-322+HR-7 & 75 sks Premium w/ HR-7. Displace cmt w/ 12 bbls water spotting cmt plug 5 bbls above seal assembly. Sting back into pkr. Squeeze perms displacing cmt w/ water. Build pressure to 3750 psi leaving 8 bbls of cmt in drill pipe. Pull out of pkr & reverse circ cmt out. Reversed 100 bbls w/ no solid cmt to surface. POOH w/ seal assembly. RIH w/ bit and DP to 7114'. WOC

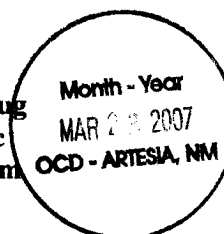
03/17/07 Cont in hole t/ TOC @ 7432'. RU swivel & break circ. Drill out 7' cmt f/ 7432' to top of pkr @ 7439'. Drill out pkr f/ 7439 t/ 7442'. Drill cmt f/ 7442 t/ 7508'.

03/18/07 Drill cmt 7508' t/ 7774'. Fell out of cmt @ 7774', testing perms to estimated mud weight @ 9.3 ppg. Wash 142' down to cmt @ 7916'. Drill cmt f/ 7916' t/ top of BP @ 7940. Drill cast iron BP 7940 t/ 7942'.

03/19/07 Drill out CIBP and push to bottom @ 8805'. Encountered several tight spots in open hole section. Try to drill on CIBP @ 8805', but can't drill. Attempt to POOH could not work through tight spot @ 8789'. RU power swivel and work 7 jts out of hole bottom of hole. Circ and mix Barazan to raise viscosity.

03/20/07 Wash dn 8 jts to bottom. Circ btms up till returns quiet. RD power swivel; attempt to TOOH. No go. Hole trying to pack off. RU power swivel & circ. Mix Dextrid to lower water loss & brine to raise mud weight. Back ream & LD 10 jts DP f/ 8805' t/ 8490. Try to pull pipe w/o rotating. No go. Wash 10 jts back to bottom. Cir hole clean.

03/21/07 Back ream out of hole to csg shoe. Lots of heaved shale was circ to surface. Let hole settle. TIH look f/ fill. Tag fill @ 8,266'. Stack 10 pts 3 times on fill, pipe sticking when pulling out of fill. TOH lost full returns. Fill hole w/ 62 bbls. Observed mud falling in the casing annulus.



Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-28384
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Marathon Oil Company		6. State Oil & Gas Lease No. E-9706
3. Address of Operator P.O. Box 3487 Houston, TX 77253-3487		7. Lease Name or Unit Agreement Name: North Indian Basin Unit
4. Well Location Unit Letter <u>K</u> : <u>1650</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>2</u> Township <u>21 S</u> Range <u>23 E</u> NMPM County <u>Lea</u>		8. Well Number 20
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3736' GR		9. OGRID Number 14021
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		10. Pool name or Wildcat Indian Basin Morrow

Month - Year
MAR 2007
OCD - ARTESIA, NM

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Plug back of open hole/ Deepen to Morrow <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

As detailed in the prior sundry, Marathon lost circulation when we last pulled the drill pipe on the #20. Marathon plans to go back in the hole with an RTTS packer and bridge plug and pressure test the well to determine where the the lost circulation is going. We will then take steps to seal the area of loss circulation. Once circulation is restored, we will run tubing to the depth of open hole that is not collapsed. (Currently fill is solid to 8266') We will then squeeze the open hole and casing f/ approximately 8266' to 7992' which is 50' above the casing shoe. It is our intent to then drill out through the shoe and directionally drill the well to a new bottom hole location in the Morrow. The directional plan, a C-101, and a C-102 are on file with the NMOCDD for the deepening operation.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCDD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Charles E. Kendrix TITLE Reg Compliance Rep. DATE 03/22/2007

Type or print name Charles E. Kendrix

E-mail address: cekendrix@marathonoil.com

Telephone No. 713-296-2096

For State Use Only
APPROVED BY BRYAN G. ARRANT
DISTRICT II GEOLOGIST

CONDITIONS OF APPROVAL, IF ANY: TITLE _____ DATE MAR 22 2007

Arrant, Bryan, EMNRD

From: Kendrix, Charles E. [cekendrix@marathonoil.com]
Sent: Thursday, March 22, 2007 1:44 PM
To: Arrant, Bryan, EMNRD
Cc: Castillo, David R.; Angel, Robert E.; Baker, Ken
Subject: North Indian Basin Unit No. 20

Mr. Arrant,

This email is a follow up to Marathon's phone conversation with you this morning regarding the NIBU # 20. As greed Marathon is submitting the sundry for the work that Marathon has completed to date on the NIBU # 20. This information is on the 1st attachment.

In addition we are submitting a second sundry notice of intent for your approval with Marathon's plans for addressing the continuing effort to plug back the existing open hole and deepen the well to the Morrow. This information is on the second attachment. Both attachments are PDF files. If for some reason you are unable to open either of the attachments please call me at 713-296-2096, and I will fax a copy to you.

Thank you for your help on this issue.

Charles E. Kendrix
Marathon Oil Company
Regulatory Compliance Representative

<<NIBU#20 PB UP RC M 1.pdf>> <<NIBU#20 PB UP RC M 2.pdf>>

This inbound email has been scanned by the MessageLabs Email Security System.

3/23/2007