

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTJUL 3 2008
OCD-ARTESIAFORM APPROVED
OMB No. 1004-0137
Expires, March 31, 2007

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
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator Marathon Oil Company ATTN: Charles E. Kendrix

3a. Address
P.O. Box 3487 Houston, TX 77253-34873b. Phone No. (include area code)
713-296-2096

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

SHL: 1,182 FSL & 1,545 FWL, Section 33, T-21-S, R-24-E
BHL: 756 FSL & 2,418 FWL, Section 33, T-21-S, R-24-E5. Lease Serial No.
NMNM07260

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.
NMNM70964A8. Well Name and No.
Indian Hills Unit #89. API Well No.
30-015-2859010. Field and Pool, or Exploratory Area
Indian Basin U. Penn Assoc.11. County or Parish, State
Eddy

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|--|--|---|
| <input checked="" 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 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 checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input 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 recompletes 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.)

See attached current wellbore diagram

9-5/8" csg @ 2,096', circulated with 1,264 sx; 7" csg set @ 8,360', cemented with 1,125 sx, circulated (DV tool @ 6,285'). MTD 9,195'
Upper Penn perforations 7,688 - 7,864'; 1,201' lateral openhole 8,054 - 9,255' (MTD)

1. Notify BLM & NMOC (Carlsbad). Set steel working pit. MIRU Basic Energy Services plugging equipment
2. NU BOP and POOH w/ production tubing as present.
3. RIH w/ tubing to 8,050'. Load hole and pump 100 sx C cmt @ 8,050'. PUH and WOC. Tag this plug no deeper than 7,588'.
4. Displace plugging mud
5. Pump 30 sx C cmt @ 6,345'
6. Pump 30 sx C cmt @ 4,000' *
7. Pump 30 sx C cmt 2,416 - 2,346'. WOC & TAG *
8. Pump 30 sx C cmt @ 732' *
9. Pump 15 sx C cmt 60' to surface *
10. Cut off wellhead & anchors, install dry hole marker. Leave location clean & clear of trash

* SEE ATTACHED FOR
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

James F. Newman, P.E.

Title Engineer, Basic Energy Services

Signature

Date

06/27/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

APPROVED

JUL 1 2008

JAMES A. AMOS
SUPERVISOR-EPS

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

(Instructions on page 2)

Accepted for record
NMOC



| | | | | | |
|---------|-------------------------------------|----------|----|------|----------|
| Subject | INDIAN HILLS UNIT #8 | Page No. | 1 | Of | 1 |
| File | HEC 33 - T215 - R24E (Eddy Co., NM) | By | Ra | Date | 11/11/08 |

SURFACE : 482' FSL
LOCATION : 1545' FWL

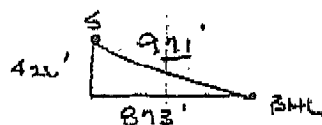
BOTTOM -

WELL LOCATION : 756' FSL
2418' FWL

OTOM -

SURFACE

420' S & 873' E



9518' JSS 34 PPF & 2,096'
CEMENTED TO SURFACE
1244 SX (430 SX. W/ 1" PIPE)

2 1/8" L-80 TUBING

PUMP INTAKE @ 8116'

WINDOW BY T&G TALLY 8041-049'

INTAKE ~ 67' BELOW WINDOW (4/21/06)

24" TOOL 6295'

UPPER PENN
PERFS 7688' - 844'
4 SPF 120 PHASING
142' - 548 HOLES

CASING WINDOW 8,041 - 054' MD

4 3/4" OPEN HOLE 8054' - 9,255' MD
(1201' MD LATERAL)

LGP PUSHED TO 8,222' (10/26/04)

TD: 8,360' (9195)

7" 23 & 24 PPF K. SS

24" TOOL @ 6285'

2 STAGE CEMENT

1ST STAGE - 400 SX / CIRC. 113 SX. TO PTS

2ND STAGE - 725 SX / CIRC. 79 SX. TO PTS

LAST PRODUCTION 10/26/04 3 B0, 3 MUF, 285 BW
CUM (DWH 26475) 178 MBO, 3.5 BCF, 4.4 BCF

Accepted for record
NMOCD



OILWELL CEMENTING SERVICES - PLUGGING & ABANDONMENT
P.O. BOX 10451 • MIDLAND, TEXAS 79702

Subject _____

(432) 687-1994

Date 06/29/08

FAX (432) 687-0066

triplenservices.com

Please find attached sundries, (inlet to P&A)
Re: Marathon's Indian Hills Unit #8 &
North Indian Basin Unit #23. Well be moving on
7/17 to the #8 well Monday June 30th,
Will overnight originals, you'll have the Tuesday.

Thank you.

Jim Newman

Basic Energy Services

432-687-1994

Accepted for record
NMOCD

Marathon Oil Company
NMNM07260; Indian Hills Unit #8
1182' FSL & 1545' FWL Section 33, T.21 S., R.24 E.
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. OK as is.
2. OK as is.
3. OK as is.
4. OK as is.
5. OK as is.
6. Spot balanced plug from 5293'-5143' (covers Bone Spring top).
7. Spot balanced plug from 2935'-2700' (covers the Glorieta and Paddock top).
8. Spot balanced plug from 2046'-1926' (covers 9-5/8" shoe). WOC and tag.
9. Perforate 7" and 9-5/8" casing at 782', squeeze with adequate cement to fill in/out of the 7" and 9-5/8' casings. WOC and tag no lower than 600'.
10. Perforate 7" casing at 250', circulate cement to surface in/out of the 7" casing.

See attached standard COA's.

James A. Amos
505-234-5909

7/1/08

Accepted for record
NMOCD

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

Accepted for record
NMOCD