

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

COPY

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

5. Lease Serial No.
E-07437-0002

6. If Indian, Allottee or Tribe Name
APR - 7 2009

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3a. Address

5555 San Felipe / Mail Stop #3308
Houston, Texas 77056

3b. Phone No. (include area code)

713-296-3412

7. If Unit of CA/Agreement, Name and/or No.
Indian Hills Unit / 70964A

8. Well Name and No.
Indian Hills Unit #50

9. API Well No.
30-015-32530

10. Field and Pool or Exploratory Area
Indian Basin Upper Pen Associated Gas Pool

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

SHL UL 'K', 1,821' FSL & 2,092' FWL, Section 16, T 21-S, R 24-E
BHL UL 'N', 695' FSL & 1,495' FWL, Section 16, T 21-S, R 24-E

11. Country or Parish, State
Eddy, NEW MEXICO

12. CHECK THE 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Has been OK'd
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	for release by 'OCD'.
	<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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 Company has finished operations, inspections and reclamation activities in regards to its 'Final Abandonment' for the above mentioned well, Indian Hills Unit #50, and hereby gives notice of such. Please find attached documentation for your review.**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Rick R. Schell

Title Regulatory Compliance Representative

Signature

Rick R. Schell

Date 03/24/2009

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

APR 4 2009

Date

BUREAU OF LAND MANAGEMENT

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.

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)

RECEIVED NOV 07 2008

Submit 2 Copies To Appropriate District Office
 District I
 1625 N French Dr., Hobbs, NM 88240
 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
 October 25, 2007

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. 30-015-32530
1. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		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-07437-0003
3. Address of Operator P. O. Box 3487 Houston, Texas 77056-3487		7. Lease Name or Unit Agreement Name Indian Hills Unit
4. Well Location Unit Letter K : 1821' feet from the South line and 2092' feet from the West line Section 16 Township 21-S Range 24-E NMPM _____ County EDDY		8. Well Number #50
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 14021
10. Pool name or Wildcat Indian Basin (Morrow)		

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 COMPL <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"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> <input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A
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- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- ☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- ☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B (4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Rick R. Schell TITLE Regulatory Compliance Representative DATE 11-05-2008

TYPE OR PRINT NAME Rick R. Schell E-MAIL: RRSCHELL@MarathonOil.com PHONE: 713-296-3412
 For State Use Only

APPROVED BY: [Signature] TITLE [Signature] DATE 11/13/08

Conditions of Approval (if any):

OK to Release

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
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

RECEIVED NOV 07 2008

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. 30-015-32530
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Marathon Oil Company ATTN: Rick Schell		6. State Oil & Gas Lease No. E-07437-0003
3. Address of Operator P.O. Box 3487 Houston, Texas 77253-3487		7. Lease Name or Unit Agreement Name Indian Hills Unit
4. Well Location Unit Letter <u>K</u> : <u>1,821</u> feet from the <u>South</u> line and <u>2,092</u> feet from the <u>West</u> line Section <u>16</u> Township <u>21-S</u> Range <u>24-E</u> NMPM County <u>Eddy</u>		8. Well Number 50
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,118' GR		9. OGRID Number 014021
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/>		10. Pool name or Wildcat Indian Basin (Morrow)
Pit type <u>STEEL</u> Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water <u>N/A</u>		
Pit Liner Thickness: <u>STEEL</u> mil Below-Grade Tank: Volume <u>180</u> bbls; Construction Material <u>STEEL</u>		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER: ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☒
CASING/CEMENT JOB ☐
OTHER: ☐

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

07/07/08 thru 07/08/08 MIRU Basic Energy rig #1707, set steel pit, NU BOP. Worked packer free.

07/09/08 POOH w/ production packer Set CHBP @ 7,560'. Circulated hole w/ 200 bbls mud, and pumped 25 sx C cmt 7,560 - 7,411'.

07/10/08 Pumped 30 sx C cmt 4,600 - 4,421'. PUH w/ tubing to 2,840', pumped 40 sx C cmt 2,840 - 2,241'. POOH w/ tubing. RIH w/ wireline, perforated 7" csg @ 1,865'. POOH w/ wireline. RIH w/ 7" packer. Loaded hole, set packer, unable to establish rate @ 1,300 psi. Contacted NMOC, ok'd balance plug. RIH w/ tubing to 1,915' and pumped 40 sx C cmt 1,915 - 1,767'. POOH w/ tubing, SDEN.

07/11/08 Tagged cmt @ 460'. RIH w/ tubing to 62'. RU cementer, and circulated 25 sx C cmt 62' to surface. POOH w/ tubing, RDNO.

Cut off wellhead & anchors, installed dry hole marker, backfilled cellar.

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 NMOC guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE James F. Newman TITLE P&A Manager (Basic Energy Services) DATE 08/05/08

Type or print name James F. Newman E-mail address james.newman@basicenergyservices.com Telephone No 432-687-1994
For State Use Only

APPROVED BY _____ TITLE _____ DATE _____
Conditions of Approval (if any).

Marathon Oil Company
Operations Summary Report

Page 1 of 1

Legal Well Name: INDIAN HILLS UNIT NO. 50
Common Well Name: INDIAN HILLS UNIT NO. 50
Event Name: ABANDONMENT
Contractor Name: KEY ENERGY SERVICES
Rig Name: KEY ENERGY SERVICES

Start: 7/7/2008
Rig Release: 3/11/2003
Rig Number: 356

Spud Date: 1/21/2003
End: 7/10/2008
Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
7/7/2008	06:00 - 21:00	15.00	PULL__	EQIP	PLUGAB	Crew attended monthly safety meeting in yard. MIRU Basic ng #1707. Hold tailgate safety meeting. ND Wellhead, NU BOP. Wait on Busto's w/Haliburton to release PLS Packer, released packer, well kicked up tubing, shut tubing in, rig up hose to reverse unit, open to tank, tubing unloaded 3 bbls good looking oil to reverse unit, tie on pump truck and pump 30 bbls plugging mud down tubing POOH w/2 stands. Swabbing backside with packer. SDFN
7/8/2008	07:00 - 17:30	10.50	PULL__	EQIP	PLUGAB	TGSM. Attempting to release packer, rubber element appears to have rolled and is dragging. Packer freed up. POOH w/20 stands, noticed bad spot on tubing line. Shut down waiting on new cable from Hobbs. Install new cable and noticed a crack in drum. SDFN. Have welder set up in the A.M.
7/9/2008	07:00 - 20:30	13.50				TGSM, AND SAFE WORK PERMIT. Welder repaired crack in drum. POOH w/202 jts 27/8 L-80, Layed down bottom 38 jts, collars thin, tubing pitted. PU RIH w/7" HM-tbg.set CIBP ON 202 JTS 27/8 L-80, Marathon delivered 38 jts due to laying down bad tubing. RU cementer and set CIBP at 7560'. Circulated hole w/200 bbls mud and pumped 25 sx C cmt from 7560'-to-7411'. PUH w/tubing to 4600'. SDFN.
7/10/2008	07:00 - 20:00	13.00	PUMP__	CMT_	PLUGAB	Crew to location. RU cementers and pumped 30 sx C cmt from 4600'-to-4421'. PUH W/TUBING TO 2840' AND PUMP 40 sx C cmt plug from 2840'-to-2241'. POOH w/tubing. RIH w/wireline, perforate 7" csg. @ 1865'. POOH w/ wireline. RIH w/7" packer. Loaded hole, set packer, unable to establish rate @ 1300 psi. Contacted NMOC, they ok'k balanced plug. RIH w/tubing to 1915' and pumped 40 sx C cmt plug from 1915'-to-1767'. POOH w/tubing, will tag plug in the A.M. SDFN
7/11/2008	07:00 - 10:30	3.50	PUMP__	CMT_	PLUGAB	Crew to location. Opened well. RIH w/wireline, tagged cmt @ 1767' PUH w/wireline Perforate at 550'. POOH w/wireline RIH w/tubing to 600', RU cementer, and circulated 50 sx C cmt from 600'-to-500', POOH w/tubing, WAC and TAG. Pump 25 sx C cmt plug from 62'-to surface. POOH w/tubing, ND BOP, Rig down and move to NIBU # 23.
						FINAL REPORT