

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 18 2009

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.

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

| | | |
|--|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NM-04827-B |
| 2. Name of Operator Marathon Oil Company | | 6. If Indian, Allottee, or Tribe Name |
| 3a. Address 5555 San Felipe @ Mail Stop #3308 Houston, Texas 77056 | | 7. If Unit or CA Agreement Name and/or No. Nort Indian Basin Unit |
| 3b. Phone No. (include area code) 713-296-3412 | | 8. Well Name and No. NIBU #13 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) T1L 2.050' 660' 2 T 21-S R 23-E Long. 104.56646 | | 9. API Well No. 30-015-28068 |
| | | 10. Field and Pool, or Exploratory Area South Dagger Draw / Upper Pen Associated |
| | | 11. County or Parish, State Eddy New Mexico |

12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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 type="checkbox"/> Plug and abandon | <input checked="" 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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

****Marathon Oil Company is requesting a Temporary Abandonment status for the above mentioned well.**

NIBU #13, per procedure listed below:

- > Wait on permit approval before beginning this work!
- > MIRU pulling unit and reverse unit.
- > Kill well with fresh water.
- > Install and test 3000# BOP.
- > POOH w/open ended 2-7/8" L-80 tubing
- > Pick up and RIH w/ 7" CIBP on 2-7/8" tubing.
- > Set CIBP at 7.366'
- > POOH laying down 2-7/8" tubing.
- > Load casing with fresh water.
- > Test casing and CIBP to 500psi for 30-minutes per regulatory requirements. Make sure chart recorder installed before pressure testing begins!
- > Send in pressure chart to "Regulatory Compliance"
- > Bull plug well head. RDMO.

NOTE: Fresh water to be used, no solids or waste are to be generated. There are no plans to remove any fluids from the well during this work, and as we indicated above, we plan to top off the well with fresh water once the plug is set. The only fluid on location during this work will be fresh water.

Spud Date: Estimated April 2009


Rig Release Date: Estimated April 2009.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

*** Approval Subject to Successful C I T .**

cc: BG, JV, RRS, WRF, FIELD

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

| | | |
|--|--|--|
| Name (Printed, Typed) RICK R. SCHELL | | Title REGULATORY COMPLIANCE REPRESENTATIVE |
| Signature  | | Date 3/13/2009 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | |
| Approved by | | Title |
| 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 |
| Title 18 USC Section 1001 AND Title 43 USC, Section 1212, make it a crime for any person knowingly, and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | | Date MAY 14 2009 |

Procedure:

- **Wait on permit approval before beginning this work.**
- **MIRU pulling unit and reverse unit.**
- **Kill well with fresh water.**
- **Install and test 3000# BOP.**
- **POOH w/ open ended 2 7/8" L-80 tubing.**
- **Pick up and RIH w/ 7" CIBP on 2 7/8" tubing.**
- **Set CIBP at 7,366.**
- **POOH laying down 2 7/8" tubing.**
- **Load casing with fresh water.**
- **Test casing and CIBP to 500 psi for 30 minutes per regulatory requirements. Make sure chart recorder is installed before pressure test.**
- **Send in pressure test chart to regulatory department.**
- **Bull plug well head.**
- **RDMO.**



16" Conductor Casing Set at 80'.
Cemented to Surface w/ Redi-Mix.

9 5/8", 36#, J-55 Surface Casing Set at
1,230'. Cemented to Surface w/ 1000
Sacks. Circulated 280 Sacks.

Tubing
252 Joints of 2 7/8" L-80 Tubing, Open Ended

Upper Penn Perforations: 7416'-82', 7496'-7506', 7544'-
54' 7568'-80', 7586'-96', 7626'-42', 7644'-7702', 7720'-28',
7783'-94'

7", 23 & 26# Production Casing at 8,010' DV Tool at
6,115'. Cemented 1st Stage w/ 410 Sacks, and
Circulated 84 Sacks. Cemented 2nd Stage w/ 785 Sacks,
and Circulated 170 Sacks.

- PBTB - 7,970'

| | | | | | | |
|---------------------|----|-----------------------------|-------------|-------------------|------------|--------|
| Well Name & Number: | | North Indian Basin Unit #13 | | Lease: | NM-04827-B | |
| County or Parish: | | Eddy | State/Prov. | New Mexico | Country: | USA |
| Perforations: (MD) | | | | (TVD) | | |
| Angle/Perfs | | Angle @KOP and Depth | 0 | | KOP TVD | 0 |
| BHP: | 0' | BHT: | 0 | Completion Fluid: | | |
| FWHP: | | FBHP: | | FWHT: | FBHT: | Other: |
| Date Completed: | | | | | | RKB: |



"Schell, Rick R."
<rrschell@marathonoil.com>

05/14/2009 09:21 AM

To: <Duncan_Whitlock@nm.blm.gov>
<James_Amos@nm.blm.gov>
cc: "Schell, Rick R." <rrschell@marathonoil.com>
bcc:

Subject: ATTENTION PERMITTING - Duncan Whitlock /or James Amos!

Mr. Whitlock or Mr. Amos,

After checking with the BLM-Carlsbad about the status of two Marathon wells: **NIBU #13-(API#30-015-28068) & NIBU #16-(API#30-015-28287)**, it has come to my attention that documents originally mailed 03-31-2009 were somehow lost in the mail system, or other. So I have taken action to re-submit by FED-EX-will arrive tomorrow morning 05-15-2009, tracking #956655940176, ships at 5:00pm today, Faxed to 575-393-4280-(Carlsbad, NM) Attention: Mr. Whitlock or Mr. Amos, and e-mailed here, attached. My concern here is the closing deadline of 06-01-2009, soon approaching for Marathon and its sale of leases in the New Mexico area to OXY. If possible, was hoping you could give consideration for these wells now, by using fax or the e-mail's attachments for quick expediting until tomorrow morning when the originals arrive? If there is anything else required or needed regarding these two wells, please don't hesitate to contact me, and if you have time to review and approve, please e-mail me if possible, and I will also call in to check on these subject wells.

Thank you again for your time,

Rick R. Schell

Regulatory Compliance Representative

Marathon Oil Company

713-296-3412 (office)

713-513-4263 (fax)

3776 (mail stop)

rrschell@MarathonOil.com



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

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.

The TA status could be extended for an additional period without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative. The operator must submit a sundry notice requesting an extension of TA status 30 days prior to expiration of the previous approval and appropriate justification for extending the TA status is included.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.