

MAY 18 2009

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUNDRY 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.FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

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-05551-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 #16
4 Location of Well (footage, Sec., T., R., M., or Survey Description) UL 1,980' 825' 11 T 21-S R 23-E Long. 104.56680		9 API Well No 30-015-28287
		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 reclamation, 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 #16, per procedure listed below:

- > Wait on permit approval before beginning this work!
- > POOH laying down tubing
- > MIRU pulling unit and reverse unit
- > Load casing with fresh water.
- > Kill well with fresh water
- > Test casing and CIBP to 500psi per regulatory requirements
- > Install and test 3000# BOP.
- > Make sure chart recorder installed before pressure testing begins!
- > POOH w/ 2-7/8" tubing and lay down tubing anchor
- > Send in pressure chart to "Regulatory Compliance" dept
- > RIH w/ tubing conveyed - CIBP
- > Bull plug well head
- > Set CIBP at 7,598
- > 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

X 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)

Signature RICK R. SCHELL		Title REGULATORY COMPLIANCE REPRESENTATIVE
Date 3/13/2009		
APPROVED		
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	MAY 14 2009
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.		
JAMES A. ANDERSON SUPERVISOR-EPS		

(Instructions on page 2)

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 with 2 7/8" tubing and lay down tubing anchor.
- RIH with tubing conveyed CIBP.
- Set CIBP at ~~7,598~~ < 7550'
- POOH laying down tubing.
- Load casing with fresh water.
- Test casing and CIBP to 500 psi 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 @ 56'
Cemented to Surface w/ Redi-Mix

9 5/8" 36# Surface Casing set @ 1,210'
Cemented to Surface w/850 sks , circ
478 sks

Tubing.

KBC: 15.00'

243 jts 2 7/8", 6.5#, L-80, SH-8rd tubing from 15 00' to 76

1 - 2 7/8" x 7" TAC from 7663.27' to 7665 67'

7 jts 2 7/8", 6 5#, L-80, SH-8rd tubing from 7665.67' to 78

1 - 2 7/8" Seating Nipple from 7884.14' to 7885 24'

1 - 2 7/8" Perforated Sub from 7885.24' to 7889 34'

Perforations: 7648'-62', 7600'-36', 7586'-94', 7556'-80',
7772'-80', 7786'-7804', 7812'-14', 7818'-30', 7833'-37',
7906'-30'.

7", 26 & 23# Production Casing set @ 8030' DV Tool
at 6,157'. Cemented 1st Stage with 450 Sacks.
Circulated 80 Sacks Cemented 2nd Stage with 750
Sacks. Circulate 110 Sacks.

PBTD: 7,935'

Well Name & Number:		North Indian Basin Unit #16		Lease	NM-05551-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:
Prepared By:		Bryson Goeres		Last Revision Date:		03/03/09

**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.