

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-07260 ✓
2. Name of Operator MARATHON OIL COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 3128 HOUSTON, TX 77253		7. If Unit or CA/Agreement, Name and/or No. NM 70964 A
3b. Phone No. (include area code) Ph: 800.351.1417 Ext 8104 Fx: 915.687.8196		8. Well Name and No. INDIAN HILLS UNIT 45
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T21S R24E NENE 806FNL 1010FEL (CURRENT BHL)		9. API Well No. 30-015-32338
		10. Field and Pool, or Exploratory INDIAN BASIN U. PENN ASSOC.
		11. County or Parish, and State EDDY COUNTY, NM

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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<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 recomplate 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.)

Marathon Oil Co. intends to plug off with approx. 200 sks. of premium cement the existing permitted Indian Basin U. Penn Assoc. completion interval (E/2 of SEC. 21, 21-S, 24-E) and re-drill to a different bottom-hole location in the same permitted producing interval, Indian Basin U. Penn Assoc. (E/2 of SEC. 21, 21-S, 24-E). Marathon will cut a window in the existing 7" casing @ approx. 7791' MD, and drill a 4 3/4" hole to a BHL-2084' FSL & 785' FEL of SEC. 21, 21-S, 24-E. Drilling fluids used will be a fresh water and produced water mixture. Completion will be OPEN HOLE (no liner).

14. I hereby certify that the foregoing is true and correct. Electronic Submission #32496 verified by the BLM Well Information System For MARATHON OIL COMPANY, will be sent to the Carlsbad	
Name (Printed/Typed) MIKE MICK	Title SR. ADV. ENG. TECH
Signature (Electronic Submission)	Date 06/30/2004 6/30/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title PETROLEUM ENGINEER JUN 30 2004
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 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.

~~*** DRAFT *** DRAFT *** DRAFT *** DRAFT *** DRAFT *** DRAFT *** DRAFT ***~~

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

DISTRICT II
P.O. Drawer 90, Arbores, NM 88211-0710

DISTRICT III
1000 Elko Avenue Bld., Artes, NM 87410

DISTRICT IV
P.O. Box 9000, Santa Fe, N.M. 87506-0000

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	78960	Indian Basin Morrow Gas Pool
Property Code	Property Name	Well Number
	INDIAN HILLS UNIT	45
OGED No.	Operator Name	Elevation
14021	MARATHON OIL COMPANY	3654'

Surface Location

UL or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
A	28	21-S	24-E		806	NORTH	1010	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
I	21	21-S	24-E		2084'	South	785'	EAST	EDDY

Dedicated Acres	Job or well	Consolidation Code	Order No.
320 E/2			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief. Mike Mick Signature MIKE MICK Printed Name Engineer Tech. Title 3-24-04 Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JANUARY 29, 2002 Date Surveyed Signature of Surveyor Professional Surveyor 002.11.0088 01/31/02 Consolidation No. 2220 12041
	OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief. Signature Printed Name Title Date SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
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1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No. NMNM70964A
2. Name of Operator MARATHON OIL COMPANY		8. Well Name and No. INDIAN HILLS UNIT 45
Contact: CHARLES KENDRIX E-Mail: cekendrix@marathonoil.com		9. API Well No. 30-015-32338-00-S1
3a. Address P O BOX 3128 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 800.351.1417 Ext: 8104 Fx: 915.687.8196	10. Field and Pool, or Exploratory INDIAN BASIN UPPER PENN ASSOC UNKNOWN
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T21S R24E NENE Lot A 806FNL 1010FEL		11. County or Parish, and State EDDY COUNTY, NM

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Marathon Oil Co. intends to plug off existing permitted Indian Basin U.Penn Assoc. completion interval(E/2 of SEC. 21, 21-S, 24-E) and re-drill to a different bottom-hole location in the same permitted producing interval, Indian Basin U. Penn Assoc. (E/2 of SEC. 21, 21-S, 24-E). ~~Marathon requests approval of constructing a reserve pit 120'X 120' at the site of the original reserve pit which was 150' X 150'. Cuttings removed from original pit will be stockpiled on a liner to prevent surface contamination. Pit will be padded to accept a 12 Mil liner. At the end of drilling operations pit area will be reclaimed as per BLM,s requirements.~~

See revised sundry 6/30/04.

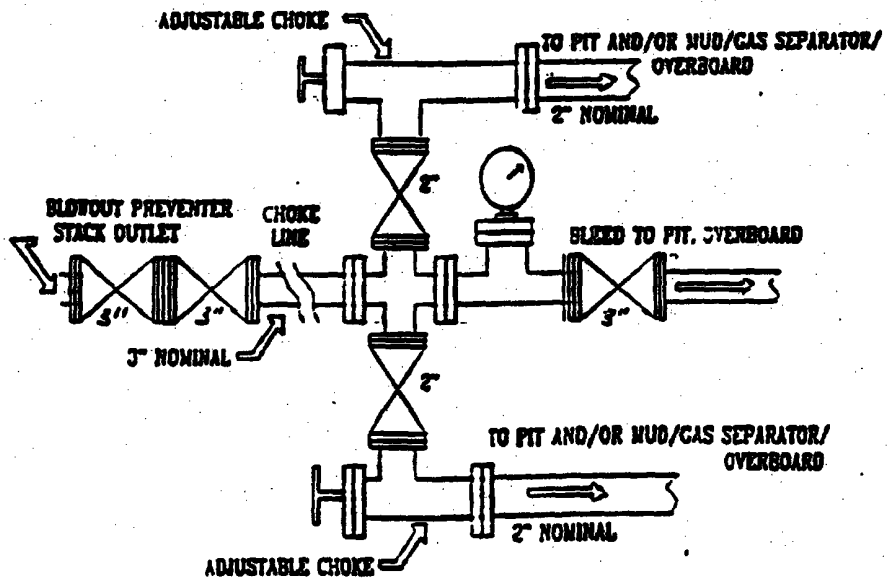
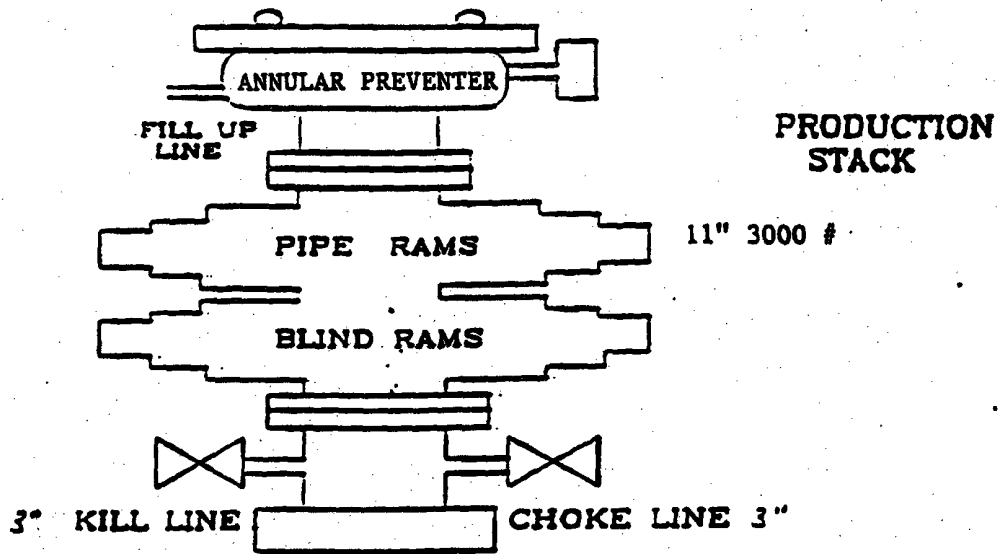
14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #32213 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 06/22/2004 (04LA0506SE)	
Name (Printed/Typed) MIKE MICK	Title SR. ADV. ENG. TECH
Signature (Electronic Submission)	Date 06/22/2004

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		

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**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****



Marathon Oil Company
INDIAN HILLS UNIT 45

slot #1
INDIAN BASIN
Eddy County New Mexico

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : Sidetrak
Our ref : prop4186
License :

Date printed : 17-Mar-2004
Date created : 17-Mar-2004
Last revised : 17-Mar-2004

Field is centred on 445535.500,521332.200,-105.00000,N
Structure is centred on 449465.200,529464.400,-105.00000,N

Slot location is n32 27 19.812,w104 29 49.800
Slot Grid coordinates are N 529464.400, E 449465.200
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - New Mexico East (3001), Spheroid: Clarke - 1866

Reference North is Grid North

Marathon Oil Company
INDIAN HILLS UNIT 45,slot #1
INDIAN BASIN,Eddy County New Mexico

PROPOSAL LISTING Page 1
Your ref : Sidetrak
Last revised : 17-Mar-2004

Measured Depth	Inclin Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect	G R I D Easting	C O O R D S Northing
7736.00	17.10	355.50	7596.87	975.94N	110.55W	0.00	975.94	449354.65	530440.34
7791.50	16.50	354.90	7650.00	991.92N	111.89W	1.13	991.92	449353.31	530456.32
7800.00	18.82	355.57	7658.10	994.49N	112.11W	27.38	994.49	449353.09	530458.89
7900.00	46.16	358.55	7741.65	1047.64N	114.31W	27.38	1047.64	449350.89	530512.04
8000.00	73.53	359.55	7791.41	1133.27N	115.61W	27.38	1133.27	449349.59	530597.67
8060.17	90.00	0.00	7800.00	1192.62N	115.84W	27.38	1192.62	449349.36	530657.02
8100.00	90.00	0.00	7800.00	1232.45N	115.84W	0.00	1232.45	449349.36	530696.85
8200.00	90.00	0.00	7800.00	1332.45N	115.84W	0.00	1332.45	449349.36	530796.85
8300.00	90.00	0.00	7800.00	1432.45N	115.84W	0.00	1432.45	449349.36	530896.85
8400.00	90.00	0.00	7800.00	1532.45N	115.84W	0.00	1532.45	449349.36	530996.85
8500.00	90.00	0.00	7800.00	1632.45N	115.84W	0.00	1632.45	449349.36	531096.85
8600.00	90.00	0.00	7800.00	1732.45N	115.84W	0.00	1732.45	449349.36	531196.85
8700.00	90.00	0.00	7800.00	1832.45N	115.83W	0.00	1832.45	449349.37	531296.85
8800.00	90.00	0.00	7800.00	1932.45N	115.83W	0.00	1932.45	449349.37	531396.85
8900.00	90.00	360.00	7800.00	2032.45N	115.83W	0.00	2032.45	449349.37	531496.85
9000.00	90.00	360.00	7800.00	2132.45N	115.83W	0.00	2132.45	449349.37	531596.85
9100.00	90.00	360.00	7800.00	2232.45N	115.84W	0.00	2232.45	449349.36	531696.85
9200.00	90.00	360.00	7800.00	2332.45N	115.84W	0.00	2332.45	449349.36	531796.85
9300.00	90.00	360.00	7800.00	2432.45N	115.84W	0.00	2432.45	449349.36	531896.85
9400.00	90.00	360.00	7800.00	2532.45N	115.84W	0.00	2532.45	449349.36	531996.85
9500.00	90.00	360.00	7800.00	2632.45N	115.84W	0.00	2632.45	449349.36	532096.85
9600.00	90.00	360.00	7800.00	2732.45N	115.84W	0.00	2732.45	449349.36	532196.85
9660.00	90.00	360.00	7800.00	2792.45N	115.84W	0.00	2792.45	449349.36	532256.85

All data in feet unless otherwise stated. Calculation uses minimum curvature method.

Coordinates from slot #1 and TVD from rotary table.

Bottom hole distance is 2794.85 on azimuth 357.62 degrees from wellhead.

Vertical section is from N 0.00 W 0.00 on azimuth 0.00 degrees.

Grid is mercator - New Mexico East (3001).

Grid coordinates in FEET and computed using the Clarke - 1866 spheroid

Presented by Baker Hughes INTEQ

Marathon Oil Company
INDIAN HILLS UNIT 45,slot #1
INDIAN BASIN,Eddy County New Mexico

PROPOSAL LISTING Page 2

Your ref : Sidetrak

Last revised : 17-Mar-2004

				Comments in wellpath
				=====
MD	TVD	Rectangular Coords.		Comment

8060.17	7800.00	1192.62N	115.84W	End of Build
9660.00	7800.00	2792.45N	115.84W	BHL

Targets associated with this wellpath				
=====				
Target name	Geographic Location	T.V.D.	Rectangular Coordinates	Revised

End of Build		7800.00	1192.62N 115.84W	17-Mar-2004
BHL		7800.00	2792.45N 115.84W	17-Mar-2004

MARATHON OIL COMPANY

H2S DRILLING OPERATIONS PLAN

• HYDROGEN SULFIDE TRAINING

All contractors and subcontractors employed by Marathon Oil Company will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

- 1. The hazards and characteristics of hydrogen sulfide (H₂S)**
- 2. Safety precautions**
- 3. Operations of safety equipment and life support systems**

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

- 1. The effect of H₂S on metal components in the system. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.**
- 2. Corrective action and shut-down procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.**
- 3. The contents and requirements of the contingency plan when such plan is required.**

All personnel will be required to carry documentation of the above training on their person.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following safety equipment will be on location.

A. Wind direction indicators.

B. Automatic H₂S detection alarm equipment (both audio and visual).

C. Clearly visible warning signs. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.

D. Protective breathing equipment will be located in the dog house and at briefing areas.

2. WELL CONTROL SYSTEMS

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

- a. pipe rams to accommodate all pipe sizes**
- b. blind rams**
- c. choke manifold**
- d. closing unit**

Auxiliary equipment added as appropriate includes:

- a. annular preventor**
- b. rotating head**
- c. mud-gas separator**
- d. flare line and means of ignition _____ e. remote operated choke**

B. Communication

The rig contractor will be required to have two-way communication capability. Marathon Oil Company will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

III. WELL SITE DIAGRAM

Exhibit "I"

Marathon Oil Company

SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN (SPCC PLAN)

Marathon Oil Company has pollution prevention, good housekeeping, safety and fire prevention policies that are to be followed at all times. All company employees, contractors and subcontract personnel are to observe safe working practices and prevent pollution to the maximum extent possible.

In the event of an emergency, spill, fire, explosion or blowout, personal injuries, property or equipment damage, call **MARATHON OIL COMPANY @ 1-800-351-1417**

Prior to drilling, certain measures should be taken:

1. Use impervious materials to build the location and the reserve pit.
2. Ditch the outline of the rig toward the reserve pit.
3. Place sumps on each end of the rig to catch any free oil or debris from entering the reserve pit.
4. Keep materials on location to contain or clean up spills (absorbent pads, shovels, etc).
5. Make known to Drilling Supervisors a list of spill response contractors available.
6. BOP testing shall be performed each time a casing string is set.
7. The Drilling contractor is required to have a certified SPCC plan for the Drilling rig.
8. Routine inspections of the operations shall be performed to ensure SPCC guidelines are followed.
9. Ensure all Marathon personnel are HAZWOPER trained in methods for stopping, controlling, and cleaning up any spills.

Spill control measures to be taken:

1. Shut down activities underway, as deemed necessary by the person in charge.
2. Determine the source of pollution and stop the discharge, if possible.
3. Isolate and contain the discharged materials, if possible.
4. Seek guidance from the Southern Region Emergency Action Plan.