

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia  
RECEIVED

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS** JAN 10 2019  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

DISTRICT II-ARTESIA C.D.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

5. Lease Serial No.  
NMNM28790

6. If Indian, Allottee or Tribe Name  
C.D.

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
SHUG A 1

9. API Well No.  
30-015-22209

10. Field and Pool or Exploratory Area  
SHUGART (Y-7R-QN)

11. County or Parish, State  
EDDY COUNTY, NM

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
\* MARATHON OIL PERMIAN LLC Contact: MELISSA SZUDERA  
E-Mail: mszudera@marathonoil.com

3a. Address  
5555 SAN FELIPE ST  
HOUSTON, TX 77056

3b. Phone No. (include area code)  
Ph: 713-296-3179

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 33 T18S R31E Mer NMP NENE 660FNL 330FEL

\* Operator shows to be Canyon EOP in CCD files of

12. CHECK THE 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"/> Hydraulic Fracturing	<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 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 must 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 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.

- 1) 4 1/2 CIBP @ 2250' w/25sx cmt. 2522, spot cmt from 2522 - 2235. WOC Tag
  - 2) 40sx 1254' - 760' tag.
  - 3) 40sx 760' - 660' P.S & tag. Perf @ 816, SQZ cmt to 660' (Perfs E. T/Yates)
  - 4) 30sx 100' - Surf P.S. Verify. Install DHM WOC Tag (T/Salt & Shoe)
- SQZ to Surface
- P&A mud between all plugs  
Closed loop.  
All fluids to licensed facility
- GC 1/16/19  
Accepted for record - NMOCD

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

*Below ground level dry hole marker required*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #446370 verified by the BLM Well Information System  
For MARATHON OIL PERMIAN LLC, sent to the Carlsbad  
Committed to AFMSS for processing by DEBORAH MCKINNEY on 12/06/2018 ()

Name (Printed/Typed) MELISSA SZUDERA Title REGULATORY COMPLIANCE REP

Signature (Electronic Submission) Date 12/04/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *[Signature]* Title SAET Date 12-13-18

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 CFO

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.

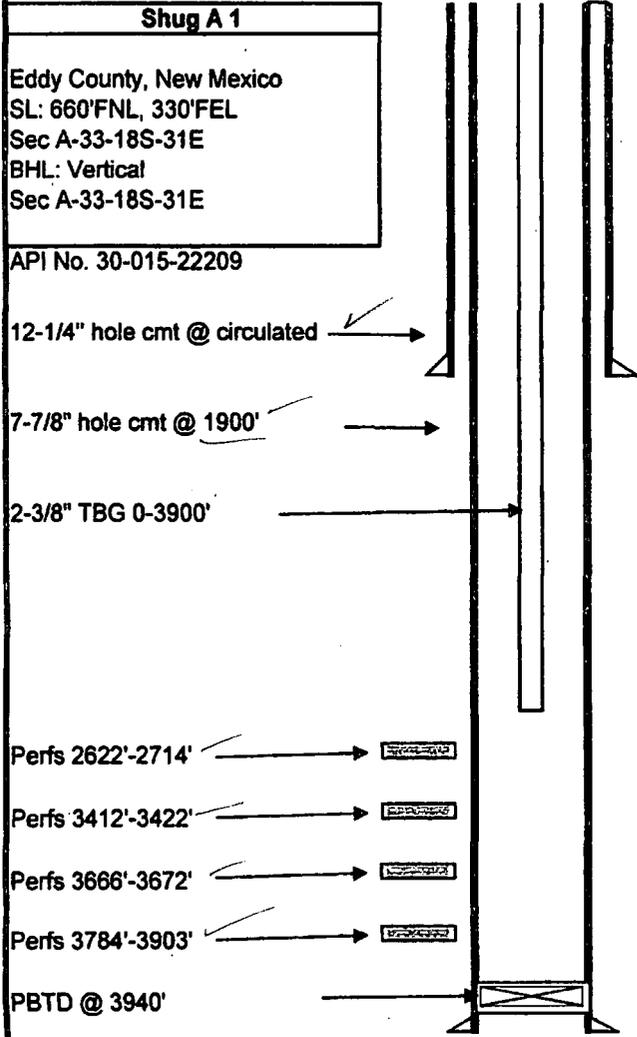
(Instructions on page 2)

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

# 20181130 Shug A 1

## Marathon Oil Corporation

### VERTICAL WELLBORE DIAGRAM



Casing					
Size	No Jts	Wt	Grade/Thrds	Depth Set (MD)	Depth Set (TVD)
8-5/8"		32	K-55	710	
4-1/2"		11.6	N-80	4300	

Description	Length	(MD)	(TVD)
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	

Description	Length	(MD)	(TVD)
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	

3784'-3903': 3000 gals 15% HCL w/additives

PBTD 3940'  
TD 4300'

*Rustler 675*  
*Salt 766-2081*  
*Yates 2285*

7R 2715  
 Qu 3395  
 GB 3878  
 SA 4100

Prior to P&A

20181130 Shug A 1

Marathon Oil Corporation

D.H.M.

VERTICAL WELLBORE DIAGRAM

305x 100' - SURF P.S Verify

**Shug A 1**  
 Eddy County, New Mexico  
 SL: 060°FNL, 330°FEL  
 Sec A-33-18S-31E  
 BHL: Vertical  
 Sec A-33-18S-31E

API No. 30-015-22209

12-1/4" hole cmt @ circulated

7-7/8" hole cmt @ 1900'

405x 1254-760  
 Tag

4 1/2" CI 8 P 2550' w/ 255x

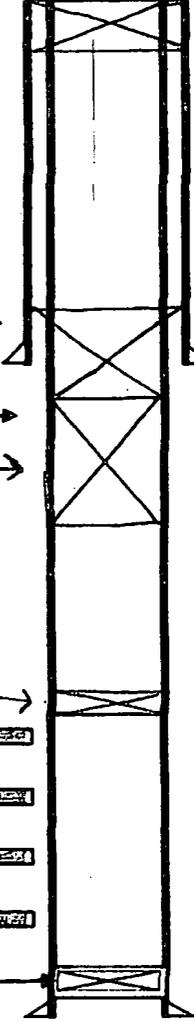
Perfs 2622'-2714'

Perfs 3412'-3422'

Perfs 3666'-3672'

Perfs 3784'-3903'

PBTD @ 3940'



Casing					
Size	No Jts	Wt	Grade/Thrds	Depth Set (MD)	Depth Set (TVD)
8-5/8"		32	K-55	710	
4-1/2"		11.6	N-80	4300	

405x 760-660 P.S Tag

Description	Length	(MD)	(TVD)
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	
		0.00'	

3784'-3903': 3000 gals 15% HCL w/additives

PBTD 3940'

TD 4300'

AFTER PVA

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 (LPC Habitat)

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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may 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 BOP must be installed and maintained as per API and manufacturer recommendations. 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 brine 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

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. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10<sup>th</sup> day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings 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 covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three 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 will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1<sup>st</sup> through June 15<sup>th</sup> annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted