

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

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

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.

Serial No.
NMNM86024

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Multiple--See Attached

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

9. API Well No.
Multiple--See Attached

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

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

10. Field and Pool or Exploratory Area
LAGUNA SALADO-BONE SPRING
PURPLE SAGE-WOLFCAMP (GAS)

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

11. County or Parish, State
EDDY COUNTY, NM

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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Onshore Order Variance
	<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 recomplate 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 Permian LLC request a variance for break testing. Please see attachment.

Variance will apply to following wells:
Blue Steel 21 WA Fee 2H (API 30-015-46069)
Blue Steel 21 FB Fee 25H (API 30-015-45892)
Blue Steel 21 FB Fee 21H (API 30-015-45901)
Blue Steel 21 WXY Fee 6H (API 30-015-45893)
Blue Steel 21 WA Fee 9H (API 30-015-45895)
Blue Steel 21 WXY Fee 8H (API 30-015-45894)

*GC 8/22/19
Accepted for record - NMOCD*

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 21 2019

RECEIVED

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

Electronic Submission #476734 verified by the BLM Well Information System
For MARATHON OIL PERMIAN LLC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/07/2019 (19PP2928SE)

Name (Printed/Typed) MELISSA SZUDERA

Title REGULATORY COMPLIANCE REP

Signature (Electronic Submission)

Date 08/06/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DYLAN ROSSMANGO

Title PETROLEUM ENGINEER

Date 08/08/2019

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 Carlsbad

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)

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

Additional data for EC transaction #476734 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM86024	NMNM86024	BLUE STEEL 21 WA FEE 2H	30-015-46069-00-X1	Sec 28 T23S R29E NWNW 270FNL 1105FWL 32.282478 N Lat, 103.994904 W Lon
NMNM86024	NMNM86024	BLUE STEEL 21 FB FEE 21H	30-015-45901-00-X1	Sec 28 T23S R29E NWNW 270FNL 1165FWL 32.282478 N Lat, 103.994713 W Lon
NMNM86024	NMNM86024	BLUE STEEL 21 FB FEE 25H	30-015-45892-00-X1	Sec 28 T23S R29E NWNW 270FNL 1135FWL 32.282478 N Lat, 103.994804 W Lon
NMNM86024	NMNM86024	BLUE STEEL 21 WA FEE 9H	30-015-45895-00-X1	Sec 28 T23S R29E NWNW 270FNL 1225FWL 32.282478 N Lat, 103.994514 W Lon
NMNM86024	NMNM86024	BLUE STEEL 21 WXY FEE 6H	30-015-45893-00-X1	Sec 28 T23S R29E NWNW 270FNL 1195FWL 32.282478 N Lat, 103.994614 W Lon
NMNM86024	NMNM86024	BLUE STEEL 21 WXY FEE 8H	30-015-45894-00-X1	Sec 28 T23S R29E NWNW 270FNL 1255FWL 32.282478 N Lat, 103.994423 W Lon



Marathon Oil Requests Variance to Break Test on BLM Pads in Eddy
County New Mexico

As discussed at the face-to-face meeting on 8/1/2019 between Marathon Oil and BLM the variance for break testing was accepted under the following conditions.

- After the first initial nipple up and full test on a multi-well pad, if drilling rig is skidding/walking over to another well and the expected cumulative operational time will be under 21 days, Marathon will be performing a break test.
- The break tests will only be applicable for 5M tests and below.
- Break tests will only be applicable to sections that do not penetrate the Wolfcamp formation in Eddy County.
- If a well control event is observed during a hole section planned for a break test the following skid would require a full BOP test will be required regardless of days between test.
- This variance meets or exceeds the requirements as per Onshore Order #2 because components that are subject to pressure tests that are broken will be tested every time.
- Attached is a sample of an example of our 2 step break test procedure and a diagram of components tested.

Conditions of Approval

1. Variance approved to allow break testing of the blowout preventer (BOP) and related equipment (BOPE) while drilling hole sections with maximum working pressures of 5,000 (5M) psi as described in the submitted procedure.
 - a. A full BOP test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOP test will be required.
 - b. While in transfer between wells, the BOP shall be secured by the hydraulic carrier or cradle.
 - c. If a well control event is encountered while drilling, the BLM is to be notified prior to commencement of any BOP break testing operations, (575) 706-2779.

8/8/2019 DR