

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

MAY - 5 2009

RM

**COPY**

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.**

<b>SUBMIT IN TRIPLICATE – Other instructions on page 2.</b>		5. Lease Serial No. NM-04827-B
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Marathon Oil Company		7. If Unit of CA/Agreement, Name and/or No.
3a. Address 5555 San Felipe Houston, Texas 77056 Mail Stop #3308		8. Well Name and No. MOC Federal No.8
3b. Phone No. (include area code) 713-296-3412		9. API Well No. 30-015-28823
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL-"K", 2,030' FSL & 1,650' FWL, Sec 1, T-21-S, R-23-E		10. Field and Pool or Exploratory Area South Dagger Draw-Upper Pen Associated (15475)
		11. Country or Parish, State Eddy, New Mexico

**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 checked="" 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 <u>Abandon Morrow</u>
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Plug Back, Test Viability</u>
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>of Upper Pen, Produce!</u>

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 recomple 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 recomple 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 Company is requesting to Abandon the East Indian Basin Morrow-(96561), then test the economic viability of the Upper Pen formation per procedure attached below. Additionally, find Well History, and Wellbore Diagrams attached.

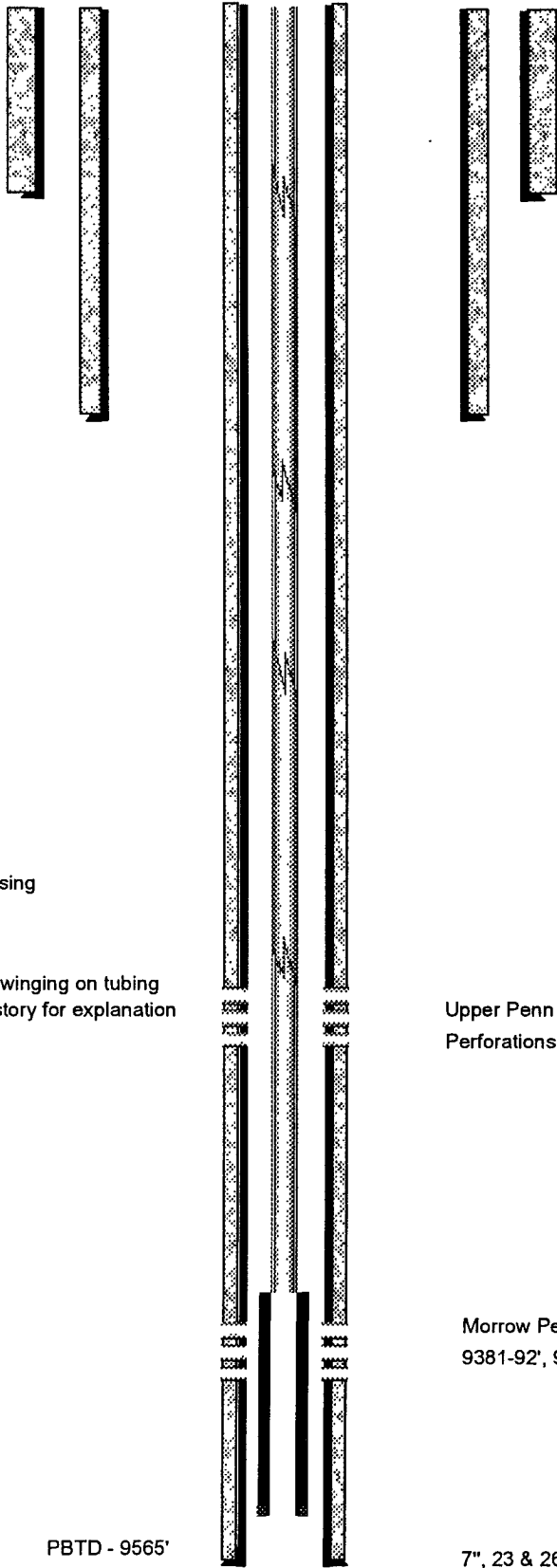
- PROCEDURE:
1. MIRU pulling unit and reverse unit.
  2. ND well head and NU 3000# BOP. Test BOP.
  3. POOH w/ 2 7/8" tubing.
  4. Rig up casing crew.
  5. Lay down 5 1/2" scab liner.
  6. Rig down casing crew and MIRU wire-line.
  7. RIH w/ gauge ring. POOH w/ gauge ring.
  8. RIH w/ 7" CIBP, and set CIBP at 9160'.
  9. Dump bail 35' of cement on top of CIBP with wire line
  10. RD wire line.
  11. RIH w/ 2 7/8" production tubing.
  12. Swab well to test production rates.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Rick R. Schell		Title Regulatory Compliance Representative
Signature <u>Rick R. Schell</u>		Date 04/22/2009

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	<div style="border: 2px solid black; padding: 5px; text-align: center;"> <b>APPROVED</b>  MAY 3 2009  Date  JAMES A. AMOS  SUPERVISOR EDS </div>
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.



13 3/8" Conductor Casing Set at 16'.  
Cemented to Surface w/ Redi-Mix.

9 5/8", 36#, K-55 Surface Casing Set at  
1210'. Cemented to Surface w/ 875 Sacks.

Tubing  
292 Joints 2 7/8" L-80  
7 Joints 5 1/2" LTC Casing

Note: Scab Liner left swinging on tubing  
(not set). See Well History for explanation

Upper Penn Perforations: 7682-7740', 7740-7830'  
Perforations from 7850-7866' squeezed w/ 300 sx cmt.

Morrow Perforations: 9210-26', 9228-38', 9368-72',  
9381-92', 9442-47'

PBTD - 9565'

7", 23 & 26#, K-55 Production Casing Set at 9660'.  
Cemented to Surface w/ 1840 Sacks. Circulated 149  
Sacks.

Name & Number:	MOC Federal #8			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:	
Prepared By:	Bryson Goeres			Last Revision Date:	04/21/09			

## **MOC Federal No. 8 Well History**

- 02/25/96:** Drill and complete as a Morrow/Upper Penn development well. Drilled to TD of 9660'. Ran & cemented 7" casing to 9660'. Drilled cement & DV tool to PBTD of 9573'. Perforated casing w/2jspf @ 7850'-66' (2<sup>nd</sup> Canyon formation). Acidized perfs w/15% NEFE acid. Swab tested well. Cement squeezed perfs @ 7850'-66'. Perforated casing w/2 jspf @ 7740'-7830' (Canyon formation). Acidized perfs w/15% NEFE acid. Swab tested well. RIH w/sub pump equipment.
- 04/30/96:** Remove sub pump equipment and rod up well.
- 08/26/96:** Pump repair. Ran same size rod pump.
- 02/16/97:** Parted shear tool on rod string. Hot oil treated well for paraffin. Ran serviced and rebuilt pump.
- 05/17/97:** Add perfs & acidize. Pull rod pump equipment. Heavy paraffin build up noted. Hot oiled tubing for paraffin. RIH w/wireline & perforate casing w/2 jspf from 7685'-7740'. Acidized perfs w/15% NEFE acid. Swab tested well. Installed rod pump equipment.
- 07/11/97:** Repair tubing leak.
- 10/10/97:** Pump repair. Paraffin problems. Hot oiled rods & tubing. Ran rebuilt insert pump.
- 04/03/98:** FG rod body part in rod #13. Re-perfed Canyon from 7685'-7830'. Acidize new perfs w/15% Fercheck at 100 gpf. Ran 1 3/4" pump on FG steel rod string. Would not pump. Ran second pump, no pump action. Pulled tbg to check TAC. Ran back tbg and 1 3/4" pump. Pumped up.
- 10/17/98:** Dual complete in Morrow. Perfed 9368'-72', 9381'-92', 9442'-47' with stim guns under packer. Dropped guns, fished bar. Acidize with 3000 gal Claysafe 5. Displace with 53 BBLs 7% KCl. Swabbed and well on vacuum. Found split in tubing at 7686'. Fished guns. Perforated Morrow f/ 9210'-26', 9228'-38'. Set CIBP on WL over Morrow and perf Upper Penn from 7712'-7682'. Acidize UP w/100 gpf 15% HCl. Run 1 3/4" pump on FG & steel rod string.
- 05/28/99:** Pump change. Hot oiled steel rods.
- 11/11/99:** Downsize from 1 3/4" to 1 1/4" Had to hot oil tubing & rods. Saw large amounts of paraffin from rod #15 to bottom.
- 03/14/01:** Test Morrow. Drilled up CIBP & cement. Swabbed, stuck RTTS when attempt to pull. Fish packer. Drill & push CIBP to 9565'. Frac Morrow from 9368'-9447'. Average rate: 18 BPM @ 7900 psi in a 3 1/2" workstring. Well flowed back 104 BBLs and loaded up and died. Attempt to jet with coiled tubing and stuck CT.
- 05/21/01:** Swabbed well dry. Would not flow.
- 05/06/01:** Moved packer up hole to produce perfs 9210'-26', 9228'-38'. Still left perfs 9368'-9447' open and producing. Reason to move packer was that it was discovered by a pumper that the backside had 600 psi with the top perfs and UP exposed. Initial flow rate 500 MCFD & 288 BWPD.

07/12/02: Install foamer string at top perf (9210'). Rate prior to foamer: 305 MSCFD & 70 BWPD. Treating at 750 PPM, gas rate stayed same, but water rate increased to 240 BWPD.

**Unknown Date:** Pulled foamer string.

12/20/04: Swabbed well. Swabbed 115 BBL total fluid. Well would only flow ~ 10 minutes and die. Dropped 2 soap sticks.

12/06/06: Ran Deviation Survey. Bailed fill from 9434-9565'. Attempt to set 5 ½" scab liner across Upper Penn perforations from 7585-7909' with no success.

06/01/07: Set 5 ½" scab liner across Upper Penn perforations from 7600-7900'. RIH with 7" RTTS packer to 7350'. Pressure tested liner to 350 psi for 10 minutes, pressure dropped to 0 psi in 6 minutes. Rod up well.

05/05/08: Replace insert pump due to parted pull tube.

04/13/09: Hole in tubing. Unseat pump and POOH w/ rods. NU BOP. Had problems releasing TAC. Could get TAC to go down, but not up hole. TAC is located at 7313'. Pick up to shear slips off TAC. TAC released at 103 points. POOH scanning tubing – Laid down 42 joints (17 green and 25 red). Pick up new tubing anchor. RIH w/ TAC. Lost tubing weight at 2310' while running in with tubing anchor. POOH w/ tubing. RIH with lead impression block. Impression block shows 5 ½" ring. Liner has come up hole to 2310'. RIH with retrieval head. Latch onto top packer that is on scab liner. Release bottom and top packers of scab liner. RIH with scab liner on tubing. RDMO. Will submit sundry to abandon Morrow formation – only making 36 MSCFPD – uneconomical to repair scab liner. Once Morrow is abandoned will test the open Upper Penn perforations for economic viability.