

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

CLSF

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

Oil Well Gas Well Other

2. Name of Operator

Marathon Oil Company

3a. Address

P.O. Box 552 Midland, TX 79702

3b. Phone No. (include area code)

800-351-1497

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

UL "0", 409' FSL & 2324' FEL
SECTION 20, T-21-S, R-24-E

5. Lease Serial No.
66341-B

6. If Indian, Allottee or Tribe Name

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

INDIAN HILLS UNIT
NM 70964X

8. Well Name and No.

INDIAN HILLS UNIT #18

9. API Well No.

30-015-30564

10. Field and Pool, or Exploratory Area

INDIAN BASIN UPPER PENN
ASSOCIATED GAS POOL

11. County or Parish, State

EDDY NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

Acidize Deepen Production (Start/Resume) Water Shut-Off
 Alter Casing Fracture Treat Reclamation Well Integrity
 Casing Repair New Construction Recomplete Other INSTALL GAS
 Change Plans Plug and Abandon Temporarily Abandon LIFT EQUIPMENT
 Convert to Injection Plug Back 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 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 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 final site is ready for final inspection.)

MARATHON OIL COMPANY has installed gas lift equipment in this well as follows:

3/18/00 MIRU PU because the well wasn't pumping. Nothing was found to be wrong with the sub pump or any associated equipment. RU Arc and RIH w/downhole pressure recorders, BHP=1628 psi. RD Arc. Loaded and tested tbg to 1000 psi for 10 minutes w/no leak. POOH LD tbg. PU & RIH w/235 jts new 2-3/8" tbg and gas lift system. 7 CM-1, 2-3/8", J-55 gas lift mandrels, 6 C-1 RF 1/4" port gas lift valves, 7 CV-1 HR check valves, and 1 screened orifice w/a reverse check valve were installed (see attached wellbore diagram). To test this system, gas produced by the Indian Hills Unit Gas Com #3 was diverted to this well. The gas was metered at the separator, and then again before it was injected into the Indian Hills Unit #18 (see attached flow diagram). Initial test was run 3/25/00 thru 3/31/00. The well was then left flowing. As soon as a compressor can be installed, the gas lift gas will come off the high pressure gas sales line. It will still be metered before being injected into the well (see attached flow diagram).

(ORIG. SGD.) GARY GOURLEY SEP 08 2000

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

Name (Printed/Typed)
Ginny Larke

Ginny Larke

Title

Engineer Technician

Date 9/5/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

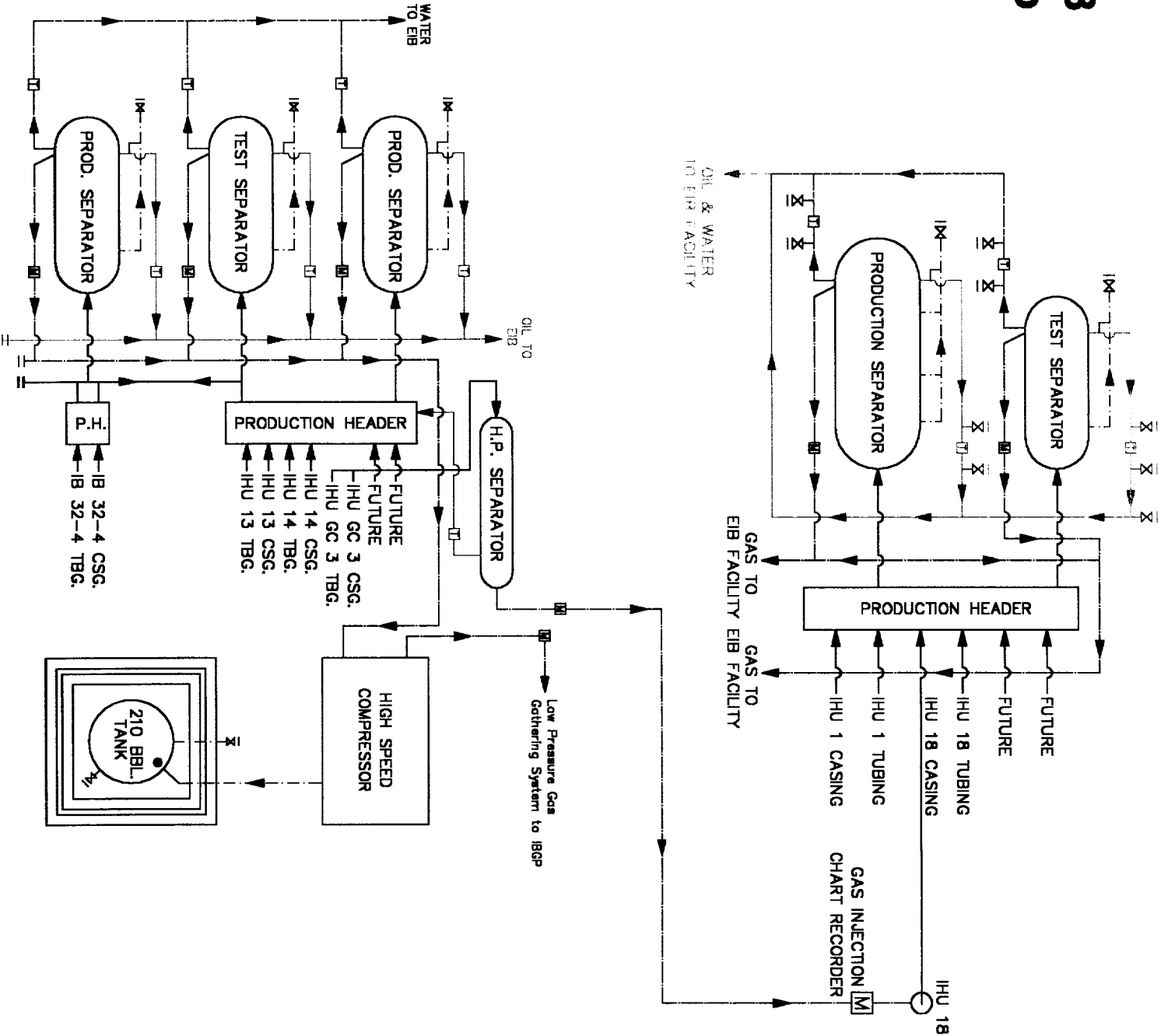
Title

Date

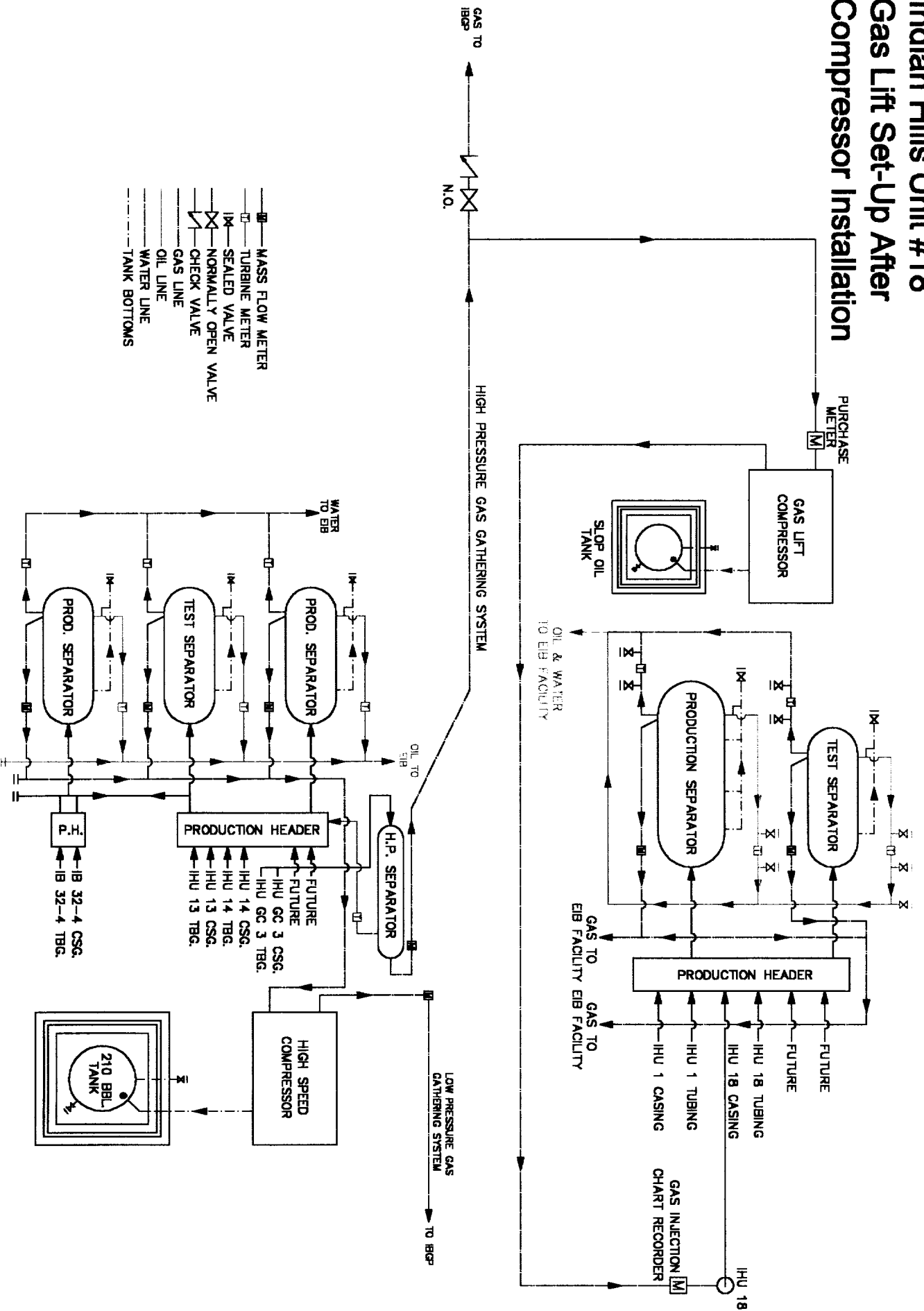
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

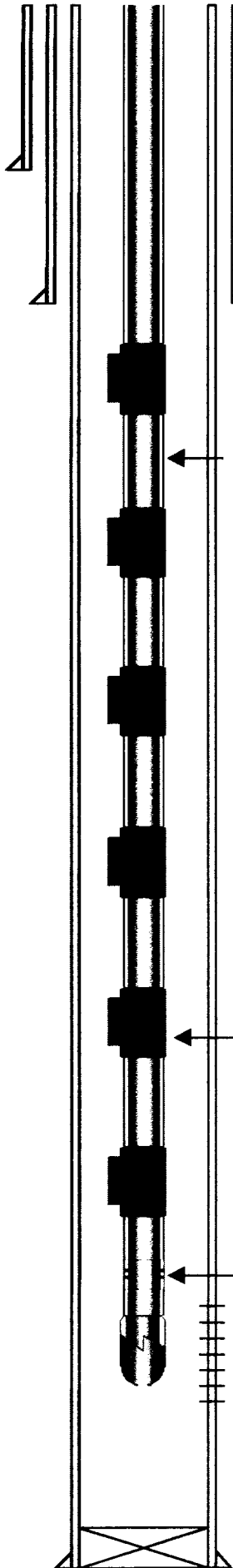
Office

Indian Hills Unit #18 Gas Lift Test Set-Up



Indian Hills Unit #18 Gas Lift Set-Up After Compressor Installation





Spud: 01/27/99
 G.L. Elev.: 3739'
 K.B.: 3755'

14" Conductor Casing
 Set at 40', Cement to Surface.

Intermediate Casing
 9 5/8" 36#, K-55 Csg.
 Set at 1208', Cmt. W/555 sks.
 No circulation.

Tubing:

#Jts	Size	Wt.	GR	CPL	LN.	Top	BTM
				KBC	15.00	0.00	15.00
132	2 3/8"	4.7#	J-55	8rd	4127.74	15.00	4142.74
	Valve 1	1/4" port			4.15	4142.74	4146.89
25	2 3/8"	4.7#	J-55	8rd	781.13	4146.89	4928.02
	Valve 2	1/4" port			4.15	4928.02	4932.17
19	2 3/8"	4.7#	J-55	8rd	595.63	4932.17	5527.80
	Valve 3	1/4" port			4.15	5527.80	5531.95
16	2 3/8"	4.7#	J-55	8rd	500.20	5531.95	6032.15
	Valve 4	1/4" port			4.15	6032.15	6036.30
14	2 3/8"	4.7#	J-55	8rd	438.72	6036.30	6475.02
	Valve 5	1/4" port			4.15	6475.02	6479.17
14	2 3/8"	4.7#	J-55	8rd	437.83	6479.17	6917.00
	Valve 6	1/4" port			4.15	6917.00	6921.15
14	2 3/8"	4.7#	J-55	8rd	439.41	6921.15	7360.56
	Orifice	24/64"			4.15	7360.56	7364.71
1	2 3/8"	Bull plugg	J-55	8rd	31.83	7364.71	7396.54
235	Total #Jts						

Gas Lift Mandrels @ 4142.74', 4928.02', 5527.80', 6032.15', 6475.02', 6917.00'

Screened Orifice w/ Reverse Check Valve

Perforations:
 7366-7424', 7442-7480'.

Production Casing
 7" 23 & 26#, K-55 Csg.
 Set at 8120', Cmt. W/1090 sks.
 Circ. 325 sks.

PBTD: 8089'
 TD: 8160'

Indian Hills Unit No. 18
 08/25/00
 U.L. "O", 409' FSL, 2324' FEL
 Sec. 20, T-21-S, R-24-E
 Eddy Co., N.M.
 Lease No.: LC-064391-B
 API No.: 30-015-30564

Well History...

- 01/27/99 - Spud well.
- 01/30/99 - Drilled to 1210'. Set and cemented intermediate casing.
- 02/10/99 - Lost returns from 7498'-7865'.
- 02/11/99 - Logged well using Platform Express.
- 02/13/99 - Ran 7" production casing to 8120'.
- 02/14/99 - Cemented production casing.
- 02/22/99 - Perforated 7366-7424', 7442-7480' 4JSPF.
- 02/23/99 - Acidized perms w/ 75 gpf.
- 02/24/99 - Flow tested well.
- 06/29/99 - MIRU Pulling unit to run submersible pump.
- 07/02/99 - RIH w/ ESP TD3000.
- 01/26/00 - Pulled TD3000 and RIH w/ TD2200 for a design change.
- 03/18/00 - Pulled TD2200 for design change.
- 03/24/00 - RIH w/ 6 gas-lift valves and 1 orifice/reverse check valve.
- 05/03/00 - RIH w/ wireline perforator and punched one hole at 7428'. RIH w/ bomb to obtain flowing gradient.