

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED STATES
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.

5. Lease Serial No.
NMNM114984

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
MAR 08 2018
RECEIVED

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.
2. Name of Operator <u>Marathon Oil Permian LLC</u> BC OPERATING INCORPORATED Contact: MELISSA B SZUDERA E-Mail: mszudera@marathonoil.com	8. Well Name and No. CHILI PARLOR 17 FEDERAL 3H
3a. Address <u>5555 San Felipe ST.</u> 3303 VETERANS AIRPARK LANE SUITE 6101 MIDLAND, TX 79710 - <u>Houston, TX 77056</u>	9. API Well No. 30-025-43138-00-X1
3b. Phone No. (include area code) Ph: 701-260-7272	10. Field and Pool or Exploratory Area RED TANK
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T22S R33E SWSE 240FSL 2200FEL	11. County or Parish, State LEA 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	Change to Original A PD
	<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 recomplete 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.

Marathon Oil Permian, LLC respectfully requests to make changes to the currently approved cement and casing volumes. See attachment for updates to the drill plan that include excess amounts.

Carlsbad Field Office
OCD Hobbs

Approved. 25. No change to COA. All COAs still apply.

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

Electronic Submission #382640 verified by the BLM Well Information System
For BC OPERATING INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/22/2017 (17PP0602SE)

Name (Printed/Typed) MELISSA B SZUDERA	Title REGULATORY COMPLIANCE REP
Signature (Electronic Submission)	Date 07/26/2017

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

MAR 15 2018

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		BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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.

(Instructions on page 2)

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

Marathon Oil Permian LLC, Chili Parlor 17 Federal Com #3H

3. Cementing Program

Casing	# Sks	Wt. (lb/gal)	Yld (ft ³ /sack)	H ₂ O (gal/sk)	500# Com. Strength (hours)	Slurry Description
Prod.	417	9.0	3.49	14.10	13	Lead 1: NeoCem™ Cement Blend
	742	11.5	2.37	14.04	14	Lead 2: NeoCem™ Cement Blend
	1765	14.5	1.23	5.58	16	Tail: VersaCem™ + 0.4% HALAD-344 + 0.2% HR-601

13 3/8 surface csg in a 17 1/2 inch hole.					Design Factors		SURFACE		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	54.50	J 55	ST&C	8.81	2.31	1.09	1,070	58,315	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,444				Tail Cmt	does not	circ to sfc.	Totals:	1,070 58,315	
Comparison of Proposed to Minimum Required Cement Volumes									
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
17 1/2	0.6946	1105	1889	797	137	8.80	1438	2M	1.56

Class 'C' tail cmt yield above 1.35.

9 5/8 casing inside the 13 3/8					Design Factors		INTERMEDIATE		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	40.00	J 55	LT&C	2.71	1.03	0.77	4,800	192,000	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	4,800 192,000	
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		1070	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
12 1/4	0.3132	1720	3190	1575	103	10.00	2748	3M	0.81

Burst Frac Gradient(s) for Segment(s): A, B, C, D = 0.82, b, c, d All > 0.70, OK.

5 1/2 casing inside the 9 5/8					Design Factors		PRODUCTION		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	17.00	P 110		2.95	1.54	2.07	10,302	175,134	
"B"	17.00	P 110		7.95	1.33	2.07	5,610	95,370	
w/8.4#/g mud, 30min Sfc Csg Test psig: 2,266							Totals:	15,912 270,504	
B would be:				56.05	1.45 if it were a vertical wellbore.				
Pilot Hole Planned			MTD	Max VTD	Csg VD	Curve KOP	Dogleg°	Severity°	MEOC
			15912	10875	10875	10302	90	10	11202
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		4800	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
8 3/4	0.2526	2924	5567	4064	37	9.10			1.35

Class 'H' tail cmt yld > 1.20