

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

HOBBS OCD
AUG 06 2018

5. Lease Serial No.
NMNM093223
If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. MADERA 19 FEDERAL 26 35 19 WA 2H
2. Name of Operator MARATHON OIL PERMIAN LLC Contact: JENNIFER VAN CUREN E-Mail: jvancuren@marathonoil.com		9. API Well No. 30-025-44900-00-X1
3a. Address 5555 SAN FELIPE STREET HOUSTON, TX 77056	3b. Phone No. (include area code) Ph: 713.296.2500	10. Field and Pool or Exploratory Area JABALINA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T26S R35E SESW 352FSL 1338FWL 32.022530 N Lat, 103.410797 W Lon		11. County or Parish, State LEA COUNTY, NM

artsbad Field Office

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 APD
	<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.

Marathon Oil Permian LLC is submitting the following change to the APD:

-Change 9-5/8 in. casing thread from BTC to LTC.

String Type: Intermediate I
Hole Size: 12-1/4 in.
Csg Size: 9-5/8 in.
Top Set MD: 0 ft.
Bottom Set MD: 5400 ft.
Top Set TVD: 0 ft.
Bottom Set TVD: 5330 ft.
Weight: 40 lbs./ft.

All previous COAs still apply except the following changes

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

Electronic Submission #425193 verified by the BLM Well Information System
For MARATHON OIL PERMIAN LLC, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 06/26/2018 (18PP1316SE)

Name (Printed/Typed) JENNIFER VAN CUREN	Title SR. REGULATORY COMPLIANCE REP
Signature (Electronic Submission)	Date 06/25/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ZOTA STEVENS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>08/03/2018</u>
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 <u>Hobbs</u>

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 ****

[Handwritten signature]

Additional data for EC transaction #425193 that would not fit on the form

32. Additional remarks, continued

Grade: J55
Conn.: LTC
SF Collapse: 1.15
SF Burst: 1.24
SF Tension: 1.98

Marathon Oil Permian LLC will be batch drilling these wells. Please see the attachment.

Batch Drilling Plan

- Marathon Oil Permian LLC. respectfully requests the option to “batch” drill sections of a well with intentions of returning to the well for later completion.
- When it is determined that the use of a “batch” drilling process to increase overall efficiency and reduce rig time on location, the following steps will be utilized to ensure compliant well control before releasing drilling rig during the batch process.
- Succeeding a successful cement job, fluid levels will be monitored in both the annulus and casing string to be verified static.
- A mandrel hanger packoff will be ran and installed in the multi-bowl wellhead isolating and creating a barrier on the annulus. This packoff will be tested to 5,000 PSI validating the seals.
- At this point the well is secure and the drilling adapter will be removed from the wellhead.
- A 13-5/8” 5M temporary abandonment cap will be installed on the wellhead by stud and nut flange. The seals of the TA cap will then be pressure tested to 5,000 PSI.
- The drilling rig will skid to the next well on the pad to continue the batch drilling process.
- When returning to the well with the TA cap, the TA cap will be removed and the BOP will be nipped up on the wellhead.
- A BOP test will then be conducted according to Onshore Order #2 and drilling operations will resume on the subject well.

Request for Surface Rig

- Marathon Oil Permian LLC. Requests the option to contract a surface rig to drill, set surface casing and cement on the subject well. If the timing between rigs is such that Marathon Oil Permian LLC. would not be able to preset the surface section, the primary drilling rig will drill the well in its entirety per the APD.