

State of New Mexico  
Energy, Minerals & Natural Resources

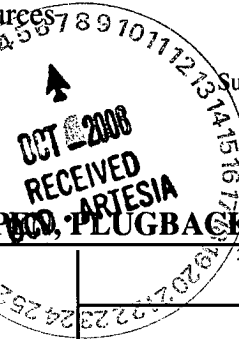
Form C-101  
May 27, 2004

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT



**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Marathon Oil Company P.O. Box 3487 Houston, TX 77253-3487		<sup>2</sup> OGRID Number 14021
<sup>4</sup> Property Code 6408	<sup>5</sup> Property Name Indian Hills State Com	<sup>3</sup> API Number 30- 15-27486
<sup>9</sup> Proposed Pool 1 Cemetery Morrow (74640)		<sup>10</sup> Proposed Pool 2

**<sup>7</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
M	36	20S	24E		976	South	660	West	Eddy

**<sup>8</sup> Proposed Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

**Additional Well Location**

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary Rotary	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3631'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 9800'	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 10/11/2006
Depth to ground water 100'		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mil mils thick Clay <input type="checkbox"/> Pit Volume 2500 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	1206'	1605	Surface
8 3/4"	7"	23 * 26#	8020'	1250	1000'
6 1/8"	4 1/2"	10.5#	9800	150	7500'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Marathon Oil Company proposes to plug back the South Dagger Draw Upper Penn in the Indian Hills State Com No 8 with apx 150 sks cmt. Marathon will then drill a 6 1/4" hole to est TD @9800'. A 4 1/2" liner will be run and cemented in place from 7500' to 9800' with 150 sks cmt.

This work was originally filed and approval issued in December 2004, but the permit expired w/o work be done.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Signature: <i>Charles E. Kendrix</i>		OIL CONSERVATION DIVISION	
Printed name: Charles E. Kendrix			
Title: Regulatory Compliance Representative		Approved by: <b>BRYAN G. ARRANT</b>	
E-mail Address: cekendrix@marathonoil.com		Title: <b>DISTRICT II GEOLOGIST</b>	
Date: 10/06/2006	Phone: 713-296-2096	Approval Date: <b>OCT 11 2006</b>	Expiration Date: <b>OCT 11 2007</b>
		Conditions of Approval: Attached <input type="checkbox"/>	

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State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised June 10, 2003

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-2748	<sup>2</sup> Pool Code 74640	<sup>3</sup> Pool Name Cemetery Morrow
<sup>4</sup> Property Code 006408	<sup>5</sup> Property Name Indian Hills State Com	<sup>6</sup> Well Number 8
<sup>7</sup> OGRID No. 14021	<sup>8</sup> Operator Name Marathon Oil Company	<sup>9</sup> Elevation 3631'

<sup>10</sup> Surface Location

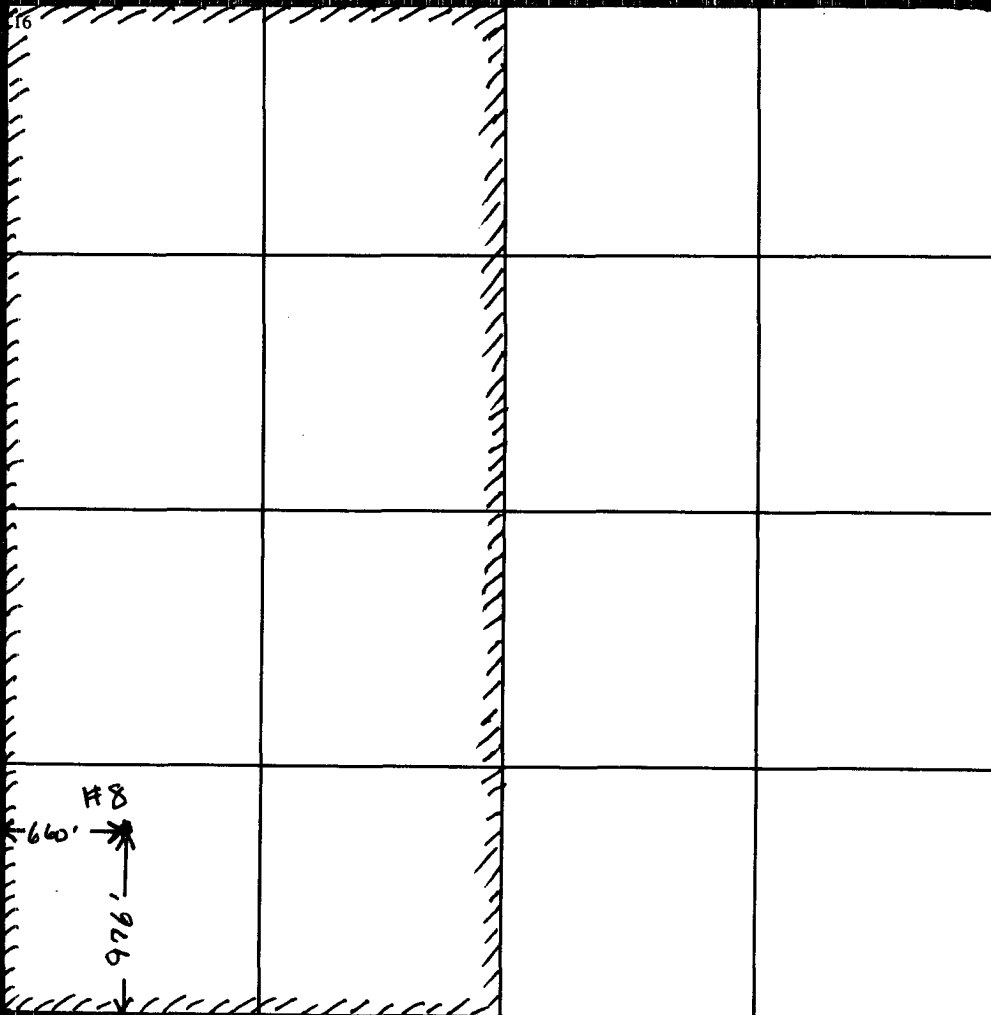
UL or lot no. M	Section 36	Township 20S	Range 24E	Lot. Idn	Feet from the 976	North/South line South	Feet from the 660	East/West line West	County Eddy
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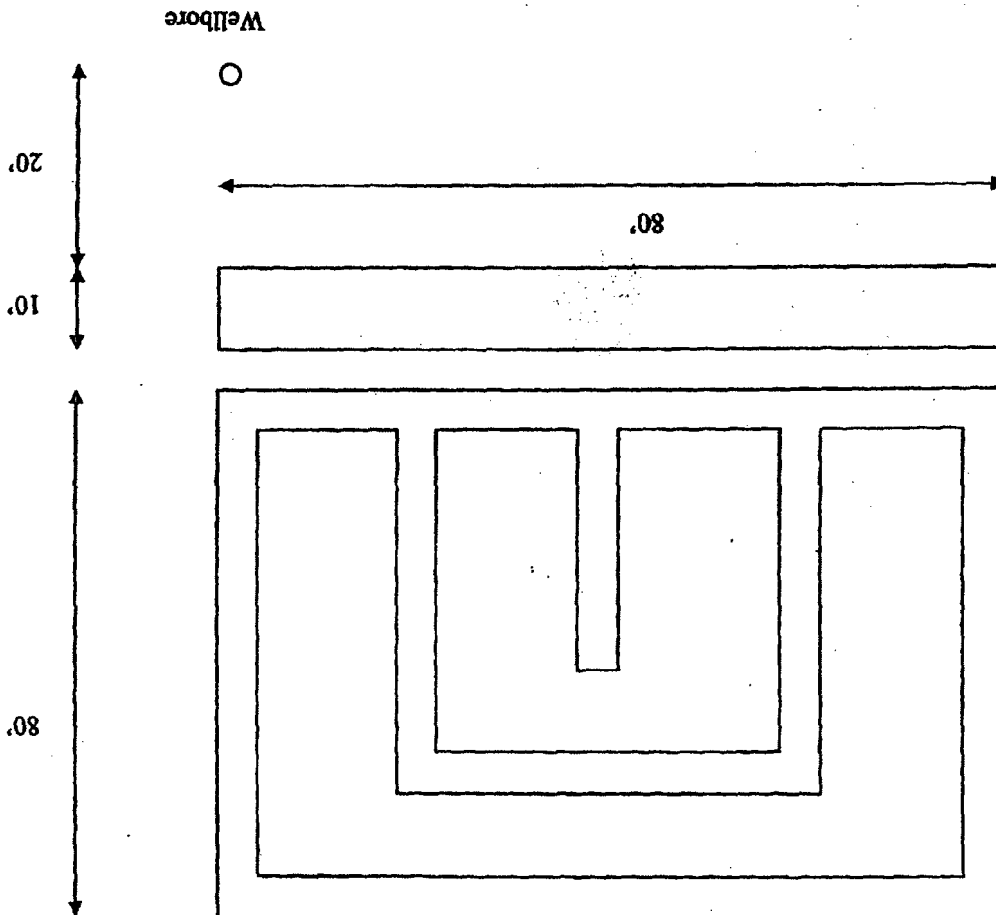
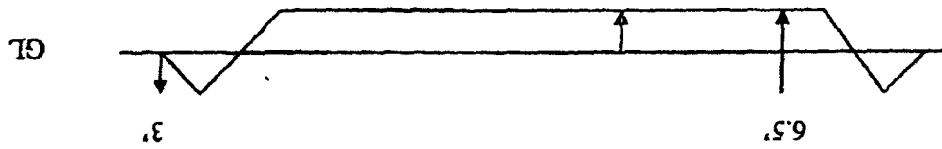
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
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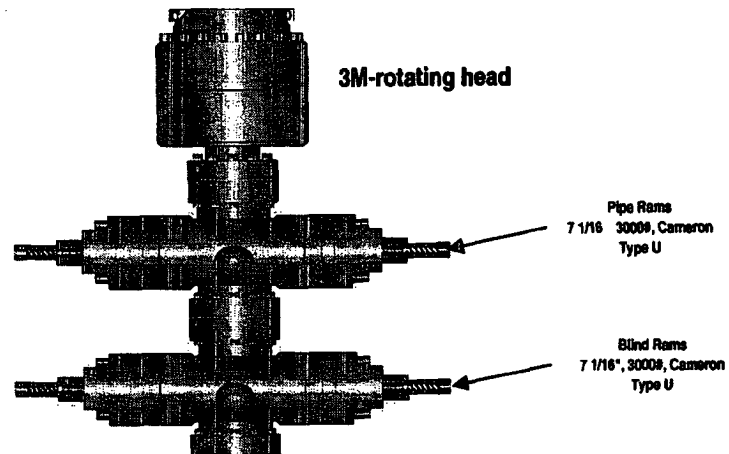
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Charles E. Kendrix</i> Signature Charles E. Kendrix Printed Name Regulatory Compliance Rep cekendrix@marathonoil.com Title and E-mail Address 10/06/2006 Date
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number



7 1/16" BOP stack



## **MARATHON OIL COMPANY**

### **H2S DRILLING OPERATIONS PLAN**

#### **• HYDROGEN SULFIDE TRAINING**

**All contractors and subcontractors employed by Marathon Oil Company will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.**

- 1. The hazards and characteristics of hydrogen sulfide (H2S)**
- 2. Safety precautions**
- 3. Operations of safety equipment and life support systems**

**In addition, contractor supervisory personnel will be trained or prepared in the following areas:**

- 1. The effect of H2S on metal components in the system. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.**
- 2. Corrective action and shut-down procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.**
- 3. The contents and requirements of the contingency plan when such plan is required.**

**All personnel will be required to carry documentation of the above training on their person.**

#### **II. H2S EQUIPMENT AND SYSTEMS**

##### **1. Safety Equipment**

**The following safety equipment will be on location.**

- A. Wind direction indicators.**
- B. Automatic H2S detection alarm equipment (both audio and visual).**

**C. Clearly visible warning signs. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.**

**D. Protective breathing equipment will be located in the dog house and at briefing areas.**

## **2. WELL CONTROL SYSTEMS**

### **A. Blowout Prevention Equipment**

**Equipment includes but is not limited to:**

- a. pipe rams to accommodate all pipe sizes**
- b. blind rams**
- c. choke manifold**
- d. closing unit**

**Auxiliary equipment added as appropriate includes:**

- a. annular preventor**
- b. rotating head**
- c. mud- gas separator**
- d. flare line and means of ignition \_\_\_\_\_**
- e. remote operated choke**

### **B. Communication**

**The rig contractor will be required to have two-way communication capability. Marathon Oil Company will have either land-line or mobile telephone capabilities.**

### **C. Mud Program**

**The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to surface. Proper mud weight, safe drilling practices, and the use of H<sub>2</sub>S scavengers when appropriate will minimize hazards when penetrating H<sub>2</sub>S bearing zones.**

## **Exhibit "I"**

### **Marathon Oil Company**

#### **SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN (SPCC PLAN)**

Marathon Oil Company has pollution prevention, good housekeeping, safety and fire prevention policies that are to be followed at all times. All company employees, contractors and subcontract personnel are to observe safe working practices and prevent pollution to the maximum extent possible.

In the event of an emergency, spill, fire, explosion or blowout, personal injuries, property or equipment damage, call **MARATHON OIL COMPANY @ 1-800-351-1417**

Prior to drilling, certain measures should be taken:

1. Use impervious materials to build the location and the reserve pit.
2. Ditch the outline of the rig toward the reserve pit.
3. Place sumps on each end of the rig to catch any free oil or debris from entering the reserve pit.
4. Keep materials on location to contain or clean up spills (absorbent pads, shovels, etc).
5. Make known to Drilling Supervisors a list of spill response contractors available.
6. BOP testing shall be performed each time a casing string is set.
7. The Drilling contractor is required to have a certified SPCC plan for the Drilling rig.
8. Routine inspections of the operations shall be performed to ensure SPCC guidelines are followed.
9. Ensure all Marathon personnel are HAZWOPER trained in methods for stopping, controlling, and cleaning up any spills.

Spill control measures to be taken:

1. Shut down activities underway, as deemed necessary by the person in charge.
2. Determine the source of pollution and stop the discharge, if possible.
3. Isolate and contain the discharged materials, if possible.
4. Seek guidance from the Southern Region Emergency Action Plan.