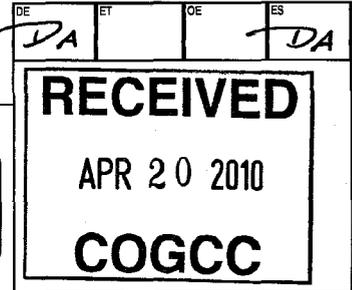




State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109



SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)

1. OGCC Operator Number: 53650
2. Name of Operator: Marathon Oil Company
3. Address: 5555 San Felipe St, Mailstop 35:08
4. Contact Name: Anna Walls
5. API Number: 05-045-15033
6. Well/Facility Name: 697-12A
7. Well/Facility Number: 18
8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): SW-NE-12-06S-97W-6th P.M.
9. County: GARFIELD
10. Field Name: GRAND VALLEY
11. Federal, Indian or State Lease Number:
Survey Plat, Directional Survey, Surface Eqpmt Diagram, Technical Info Page, Other

General Notice

CHANGE OF LOCATION: Attach New Survey Plat (a change of surface qtr/qtr is substantive and requires a new permit)
Change of Surface Footage from Exterior Section Lines:
Change of Surface Footage to Exterior Section Lines:
Change of Bottomhole Footage from Exterior Section Lines:
Change of Bottomhole Footage to Exterior Section Lines:
Bottomhole location Qtr/Qtr, Sec, Twp, Rng, Mer
Latitude, Longitude, Ground Elevation
Distance to nearest property line, lease line, well same formation
Distance to nearest bldg, public rd, utility or RR
Is location in a High Density Area (rule 603b)?
Surface owner consultation date:

GPS DATA:
Date of Measurement
PDOP Reading
Instrument Operator's Name

CHANGE SPACING UNIT
Formation, Formation Code, Spacing order number, Unit Acreage, Unit configuration
Remove from surface bond
Signed surface use agreement attached

CHANGE OF OPERATOR (prior to drilling):
Effective Date:
Plugging Bond: Blanket, Individual
CHANGE WELL NAME
From:
To:
Effective Date:
NUMBER

ABANDONED LOCATION:
Was location ever built? Yes, No
Is site ready for inspection? Yes, No
Date Ready for Inspection:
NOTICE OF CONTINUED SHUT IN STATUS
Date well shut in or temporarily abandoned: 8/5/09
Has Production Equipment been removed from site? Yes, No
MIT required if shut in longer than two years. Date of last MIT

SPUD DATE:
REQUEST FOR CONFIDENTIAL STATUS (6 mos from date casing set)

SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK
Method used, Cementing tool setting/perf depth, Cement volume, Cement top, Cement bottom, Date
*submit cbl and cement job summaries

RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004.
Final reclamation will commence on approximately
Final reclamation is completed and site is ready for inspection.

Technical Engineering/Environmental Notice

Notice of Intent
Approximate Start Date:
Report of Work Done
Date Work Completed: 2/20/10 4/20/2009

Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)

Intent to Recomplete (submit form 2)
Change Drilling Plans
Gross Interval Changed?
Casing/Cementing Program Change
Request to Vent or Flare
Repair Well
Rule 502 variance requested
Other
E&P Waste Disposal
Beneficial Reuse of E&P Waste
Status Update/Change of Remediation Plans
for Spills and Releases

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Anna Walls
Date: 4/19/2010
Email: avwalls@marathonoil.com
Print Name: Anna Walls
Title: Reg. Compliance Tech

COGCC Approved: David Anderson
Title: PE II
Date: 4/23/2010

CONDITIONS OF APPROVAL, IF ANY:

TECHNICAL INFORMATION PAGE



FOR OGCC USE ONLY

RECEIVED
APR 20 2010
COGCC

- 1. OGCC Operator Number: 53650 API Number: 045-15033
- 2. Name of Operator: Marathon Oil Company OGCC Facility ID # _____
- 3. Well/Facility Name: 697-12A Well/Facility Number: 18
- 4. Location (QtrQtr, Sec, Twp, Rng, Meridian): SWNE-12-06S-97W

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. DESCRIBE PROPOSED OR COMPLETED OPERATIONS

Update of well status: Well 697-12A-18 is ~~temporarily abandoned~~ shut in. *D.A.*

Attempted to test the 4-1/2", 11.6#, P-110 production casing to 6500 psi in preparation for stimulation activity when the casing parted at 5000psi. Moved in a workover rig and pulled casing (in 3 parts) from surface to 2334'. After dressing off the stub with a mill, we set a Logan casing patch on the stub and tied back new 4-1/2" casing to surface. Attempts to pressure test have been unsuccessful. A spinner survey indicated that the casing patch is holding and we have a leak at 2554' (collar) which is also the top of cement. A subsequent run with tubing and a packer indicated that multiple leaks (in addition to one at 2554') exist further down the casing string.

On 7/2/09, RIH 3.7" gauge ring to 9490', RIH 10K CIBP Plug set @ 9490' and dump bailed 10' cmt on top of plug

On 8/5/09, RIH and set plug @ 2575' and dumped 10' cmt on top of plug. Well shut in

We are currently evaluating diagnostic options.

*Patch set
on or about
4/20/2009
D.A.*

*Marathon Oil Co. staff informed COGCC staff
that casing leaks are slight and cannot be
squeezed off with cement.*

D.A.

Andrews, David

From: Andrews, David
Sent: Thursday, April 22, 2010 3:41 PM
To: 'Walls, Anna V.'
Cc: Dillon, David; 'glgandler@marathonoil.com'; 'kldunek@marathonoil.com'
Subject: RE: 4-1/2" Production Casing Failure on Well 697-12A-18

Anna,

As discussed during the call today, Jeff Parker's documentation of the phone call to me satisfies Marathon's Rule 301 notification requirement for the casing failure (significant downhole problem). I will get back with you tomorrow on the other alleged violations. My manager is out this afternoon.

Thanks,

David D. Andrews, P.E., P.G.
Engineering Supervisor - Western Colorado

State of Colorado
Oil and Gas Conservation Commission
707 Wapiti Court, Suite 204
Rifle, Colorado 81650
Office Phone: (970) 625-2497 Ext. 1
Cell Phone: (970) 456-5262
Fax: (970) 625-5682
E-mail: David.Andrews@state.co.us
Website: <http://www.colorado.gov/cogcc>

From: Walls, Anna V. [<mailto:avwalls@marathonoil.com>]
Sent: Thursday, April 22, 2010 1:30 PM
To: Andrews, David
Subject: FW: 4-1/2" Production Casing Failure on Well 697-12A-18

Dave,

Thank you for the conference call this afternoon. Below is the email Jeff Parker had routed internally to our team.

Thank you for your consideration in this matter.

Anna

From: Parker, Jeff
Sent: Wednesday, February 04, 2009 3:27 PM
To: Walls, Anna V.; Weed, Timothy E.; Lewis, Peter A.; Gandler, Greg; Kamas, Joshua S.; Hall, Don; Day, Donald W.
Subject: 4-1/2" Production Casing Failure on Well 697-12A-18

On Monday, February 2nd, Completion's was in the process of installing the frac tree on well 697-12A-18. While attempting to test the 4-1/2" production casing to 6500 psi, the casing parted at a pressure of 5000 psi and all pressure on the string was lost.

Today, diagnostic work is being performed on the well with a junk basket, gauge ring, and ccl to better determine the failure so that a plan to repair the well can be prepared.

I have discussed this incident with Dave Andrews of the COGCC. No notice or approval is required for the casing failure or the diagnostic work. However, we must submit a Form 4 and gain approval prior to performing any repair work on the well.

Jeff